

JAGUAR LAND ROVER
AUTOMOTIVE PLC

ANNUAL REPORT FY23/24



OUR HOUSE OF BRANDS

Our vision is to become proud creators of the world's most desirable, modern luxury brands, for the most discerning clients.

JLR is a house of four distinct and engaging brands that enable our clients to live the exceptional: Range Rover, Defender, Discovery, and Jaguar.

The purpose of our House of Brands is to elevate the unique characteristics and status of these much loved British marques.

Each brand has its own unique interpretation of modern luxury and our modernist design philosophy.

Our desire is to create truly emotionally engaging experiences and build long-term relationships with our clients.

This is how we will build sustainable, long-term equity and value for JLR.

The background for the Range Rover brand is a warm, golden-brown color with a subtle, out-of-focus pattern of overlapping circles, creating a bokeh effect.

RANGE ROVER

The background for the Defender brand is a dark, textured surface resembling rugged, dark grey or black rock with visible cracks and crevices.

DEFENDER

The background for the Discovery brand is a solid, light blue-grey color with a subtle gradient, appearing clean and modern.

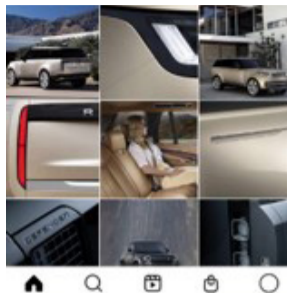
DISCOVERY

The background for the Jaguar brand is a dark blue color with two bright, diagonal streaks of lighter blue light, creating a sense of motion and luxury.

JAGUAR

OUR SEVEN MODERN LUXURY PRINCIPLES

Our world of modern luxury is built on seven clear principles:



01 CURATION

Curation means being selective in what we say, do and show as a brand.



02 FUTURE-FACING

What matters is what comes next, not what came before.



03 EFFORTLESS

Every interaction must be rewarding, seamless and effortless.



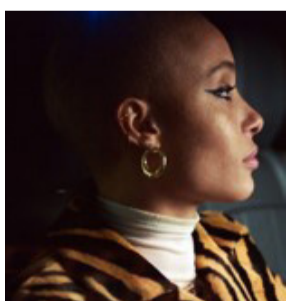
04 ENGAGING

Modern luxury is completely different from generic automotive behaviour. It is far more compelling and emotionally engaging.



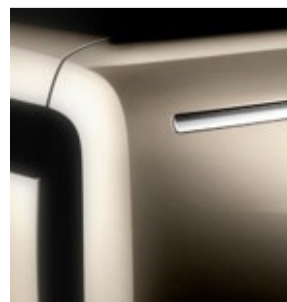
05 REDUCTIVE

We never over-elaborate, over-design, or over-engineer.



06 GLOBAL CITIZENSHIP

Sustainability and being connected to the world.



07 UNIQUE

We are original and selective, not universal.



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DEFINITIONS

Jaguar Land Rover Automotive plc is referred to as the Company.

Jaguar Land Rover Automotive plc and its subsidiaries are collectively referred to as the Group.

The Jaguar Land Rover Automotive plc Board is referred to as the Company's Board of Directors.

Jaguar Land Rover Limited is referred to as JLRL.

The Jaguar Land Rover Limited Board is referred to as JLRL Board.

FISCAL YEAR AT-A-GLANCE

Jaguar Land Rover's (JLR) *Reimagine* strategy aims to deliver a sustainably-rich vision of modern luxury.

We are transforming our business to become carbon net zero across our supply chain, products and operations by 2039.

Electrification is central to our strategy and we will electrify all our brands by 2030.

RETAIL SALES¹
431,733 UNITS



REVENUE³
£29.0bn



FREE CASH FLOW¹
£2.3bn



NET DEBT¹
£0.7bn



PROFIT/ (LOSS)
BEFORE TAX AND
EXCEPTIONAL
ITEMS^{1,2}
£2.2bn



1 Please see note 3 of the financial statements on page 96 for alternative performance measures.

2 Please see note 4 of the financial statements on page 98 for more information relating to exceptional items.

3 Please see note 5 of the financial statements on page 99 for more information relating to revenue.



CHAIRMAN'S STATEMENT



**NATARAJAN
CHANDRASEKARAN**
CHAIRMAN



This year saw a continuation of a challenging global economic environment and escalating geopolitical tensions. Against this backdrop, JLR delivered a resilient performance to achieve robust financial results and strong operational progress in FY24.

Our supply situation improved significantly after a few challenging years and helped us deliver 401,303 wholesales during the year. Our revenue grew 27% to £29 billion and delivered an adjusted EBIT margin¹ of 8.5%, delivering a profit after tax of £2.6 billion.

Key milestones driving our transformation this year were the launch of the most powerful and dynamic Range Rover Sport ever, the new Range Rover Sport SV and opening the order books for our first all-electric Range Rover.

We announced strong plans to invest £15 billion over the next five years to transform our existing manufacturing facilities supporting the development of electric, autonomous, AI and digital technologies.

Plans to see all brands electrified by 2030, as well as a radically reimagined, all-electric Jaguar brand from 2025, were further cemented this year with the confirmation from Agratas of its plans for a £4 billion gigafactory in Somerset, UK, for which JLR will be an anchor customer.

JLR ends this financial year in a strong position, with a portfolio of desirable products, a healthy bank of future orders, and a renewed commitment to its strategy, to reimagine its renowned British luxury and creativity for global clients.

Looking ahead, while we must be prepared for more disruption and volatility in the world, I remain excited for the future of all our automotive brands, and encouraged by the adaptability, resilience, and dedication of all our colleagues and partners, to achieve more, not only for our business and clients, but our communities; to set new standards in technology, manufacturing and sustainability.

I would like to thank our teams for their tireless efforts and our partners for their continued support as we work to realise the full potential of JLR in the coming years.

A handwritten signature in blue ink, appearing to read 'Ch. Natarajan'.

NATARAJAN CHANDRASEKARAN
CHAIRMAN
Jaguar Land Rover Automotive plc
31 May 2024

¹ Please see note 3 of the financial statements on page 96 for alternative performance measures.

CHIEF EXECUTIVE OFFICER'S STATEMENT



ADRIAN MARDELL
CHIEF EXECUTIVE OFFICER



Looking back, the last year was a crucially important stake in the ground as we firmly re-established our financial stability and laid the foundations for the next chapter of our *Reimagine* strategy.

We knew we had to build on the hard-won momentum that our return to profit in the second half of FY23 brought, and we did just that by delivering a strong first half of FY24.

In fact, we broke a series of records for the company starting with the highest ever quarter one free cash flow, then the highest ever first half of a financial year free cash flow, and then in quarter three we saw our highest profit ever and record Range Rover brand wholesales.

Quarter four was another record-breaking period, as we broke revenue records for the quarter and full year, and delivered record sales for Range Rover and Defender.

This was truly an incredible achievement, not least because for the last three years our business had been constrained by the extraordinary global pressures of semiconductor shortages, inflation, an energy crisis and other geopolitical instability, all of which took significant amounts of time and resource to resolve.

As operational performance improved, we were able to make progress towards our *Reimagine* financial goals. By increasing free cash flow, we reduced our debt and made huge strides towards the target of reaching net debt zero by the end of FY25. In addition, such was our confidence in our quarter two performance, we revised upwards our profitability expectations for the full year from six per cent to eight per cent.

That we came through the challenging period, stabilised the business, and then went on to deliver a strong set of results throughout the rest of the year is testament to the skill, passion and dedication of our brilliant people. Thanks to our exceptional colleagues, JLR is now taking off.

Beyond the financial results, in April, 2023, we announced that we would be investing £15 billion over the next five years to transform our business

and electrify our brands by 2030, launching an all-electric Range Rover and reimagining Jaguar as an all-electric luxury brand.

We began reconfiguring our production facilities for electrification, including making Halewood in Merseyside our first ever all-electric production facility, and upskilling our diverse workforces.

Then, following the announcement in April of our new House of Brands organisation, we revealed the new JLR corporate identity. The House of Brands approach aspires to remove ambiguity and bring to the fore the unique DNA of each of JLR's brands - Range Rover, Defender, Discovery and Jaguar - as well as accelerate the delivery of the company's vision to be proud creators of modern luxury.

During the year, we refreshed our existing collections with model year updates, including the arrival of the most powerful and dynamic Range Rover Sport ever, the superlative Range Rover Sport SV Edition One. Invite-only orders for this vehicle were fully reserved ahead of its launch in May, demonstrating its enormous desirability.

Our vehicles extended their track record of award-winning acclaim. Range Rover Sport was named the Auto Express "Large Premium SUV Of The Year 2023" while Jaguar and Land Rover (Range Rover, Defender, Discovery) brands placed top of J.D. Power US "Automotive Performance, Execution and Layout (APEAL)" study based on client perceptions of design, performance, safety, comfort and quality.

In July came the much-anticipated announcement that Tata Sons had chosen the UK as the location to build a new gigafactory, run by Agravas and JLR would be its anchor customer. This was a huge moment for us, guaranteeing a secure battery cell supply for our next-generation electric vehicles, near to our manufacturing base. It was also a significant moment for the UK car industry, which requires a supply of domestically-produced batteries to remain competitive in a future EV dominated world.

Against a broader backdrop of electrification, our much loved and admired Jaguar F-TYPE V8 sports car was celebrated in its final 24MY guise, with two new 75 edition models, heralding 75 years of Jaguar sports cars. And while the evocative roar of the F-TYPE's supercharged V8 engine will eventually be gone, it will not be forgotten as we took the step of archiving the engine sound in the British Library for future generations to hear, in an age where all cars will be electric.

Coventry is of course the birthplace of Jaguar, and it is also home to our powertrain engineering centre in Whitley, which for many years has developed internal combustion powertrains. This was the year that we signalled Whitley's electric future as we unveiled its all-new Future Energy Lab, a £250 million electric propulsion test and development facility, where our passionate engineers are designing and testing the Electric Drive Units (EDUs) for our next-generation electric vehicles.

As well as Jaguar, this year we celebrated two more anniversaries as we were joined by Her Royal Highness the Princess Royal to commemorate the 60th anniversary of vehicle manufacturing at our historic Halewood facility in Merseyside, UK. We also toasted the fifth anniversary of our state-of-the-art production facility in Nitra, Slovakia, home to Defender and Discovery, and confirmed its future producing electric vehicles.

Through FY23/24, we have taken further steps to strengthen our supply chain and expand its resilience in an increasingly volatile world.

We introduced a risk scanning solution to identify risk throughout the whole supply chain at the earliest opportunity; we announced a partnership with Tata Technologies to deliver Enterprise Resource Planning (ERP) that will transform JLR's manufacturing, logistics, supply chain, finance and purchasing by bringing data from multiple departments into one source; and we are working with NVIDIA at our Innovation Hub in NAIC, Warwick, to develop a digital twin of our supply chain allowing us to make changes in a risk free environment.

People are the heart and soul of JLR and as we deliver on our *Reimagine* strategy, it is vital our colleagues are equipped with the skills necessary to keep pace with the technological change. This year, as part of our Future Skills Programme, we delivered the largest data upskilling apprenticeship programme in the UK, to make better decisions, innovate faster, and deliver for our clients. We also trained a further 2,000 engineers in electrification.

Skills are only a part of the development and enrichment of our people. We are committed to realising a culture representative of society by instilling values of unity and belonging, inclusion and respect at JLR.

This year, we hosted our first ever Diversity, Equity and Inclusion (DE&I) Summit, welcoming participants in person, and online in 26 countries with 17 global inclusion hubs to celebrate the uniqueness of each soul at JLR. We celebrated events such as Black History Month, Diwali, and PRIDE, and my leadership team have now received modern leadership training. Having had the privilege of being reverse-mentored by members of our DE&I employee-led networks, I know that our work to become a more diverse business is supporting our strong performance.

I am also delighted to have appointed Richard Molyneux to my executive team as our permanent CFO, following a brief period where he served as interim CFO. Richard has already shown himself to be a great talent in his new role and is a perfect fit to the JLR Limited board. Meanwhile I am honoured to have formally been appointed to the role of CEO. I have held a range of roles in this business and fully appreciate our industrial and innovation role in the UK and beyond, our role as proud employers of global talent, and our role in curating our iconic brands.

We have emerged stronger from the recent crises and are delivering our strategy at pace, with new leadership, more robust supply chains, increasing production, and improving financial performance. I am confident that with the desirability of our products, the skill and dedication of our people and the exciting portfolio of electric models, the business will continue to vigorously address the challenges encountered in 2024, and successfully reimagine our bright future in the year ahead and beyond.



CHIEF EXECUTIVE OFFICER
Jaguar Land Rover Automotive plc
31 May 2024





OUR BUSINESS

STRATEGIC REPORT

OUR PURPOSE AND STRATEGY

Through our *Reimagine* strategy, we have set a clear vision and pathway to become the proud creators of modern luxury.

Our unique company Purpose, *Live the Exceptional with Soul*, was co-created by over 1,000 voices from across our business and provides a unifying vision for our organisation.

By bringing together our people under a shared purpose, collectively we drive forward our business and create an environment where everyone can thrive as individuals.

Our Purpose also sets out how we will achieve our aspirations and is the enabler to our culture of creating the exceptional, while mindful of the impact we have on our people, the planet and communities.

It is guided by our Creators' Code, a set of five behaviours - Customer Love, Unity, Integrity, Growth and Impact - underpinned by progressive policies, benefits, and engagement with our people.

Our Creators' Code embodies our promise to make JLR a kind, respectful organisation, holding at its core an inclusiveness that honours the differences that drive our creativity, and a determination to keep evolving into the culture we want to become.

It gives every creator a voice in an inclusive environment where people feel they can bring their true, whole selves to work, to deliver on our vision - to be the proud creators of modern luxury.

It is by aligning our strategy, policies, processes and experiences through our Purpose and Creators' Code that we will achieve our vision, better fulfil our clients' needs, fuel innovation and creativity, and inspire our people.

REIMAGINE

Reimagine is our roadmap, our strategy, for transforming JLR into a sustainable, modern luxury business.

With sustainability at the heart of everything we do, we aim to achieve our goal of being carbon net zero by 2039, with delivery of our 2030 Science Based Targets initiative (SBTi) carbon reduction targets as a significant milestone.

Through *Reimagine*, we aim to deliver double-digit EBIT margins by 2026 and be net cash positive by FY25.

As part of our strategy, we have created a House of four distinct brands: Range Rover, Defender, Discovery, and Jaguar; each with its own DNA and unique interpretation of modern luxury, and our modernist design philosophy.

Under this structure, we elevate the unique characteristics and status of each individual British marque, creating an emotional connection with our clients, from leading by example with Range Rover, to embracing the impossible with Defender, and enjoying family adventures with Discovery.

We are also radically reimagining our Jaguar brand, with an exuberant, modernist and forward-thinking character that promises to be a copy of nothing when it is revealed.

We have opened the waiting list for our first pure-electric car conceived under the *Reimagine* strategy - Range Rover Electric - and introduced a new performance champion in the Range Rover Sport SV Edition One, as well as refreshing our Range Rover Velar, Evoque, Defender and Discovery Sport.

The electric future of all our brands is fundamental in our journey to carbon net zero, but it must be delivered at the pace at which different markets electrify around the world. The Modular Longitudinal Architecture (MLA) that underpins Range Rover Electric also enables Internal Combustion Engine (ICE), mild, and plug-in hybrid powertrains, providing flexibility for our clients, by market, and the rapid electrification of our product portfolio.

Elsewhere, our new Electrified Modular Architecture (EMA) and Jaguar Electrified Architecture (JEA) will be introduced from 2025, as we move to an electric-first business, with all our brands offering pure-electric options by 2030.

Reimagine is also about transforming our facilities to deliver this all-electric future. We are reconfiguring Solihull to produce pure-electric MLA models and later, electric Jaguars; and by converting Halewood in Merseyside UK, to be our first all-electric manufacturing facility. In Wolverhampton, our Electric Propulsion Manufacturing Centre will be producing electric drive units (EDUs) and battery packs for all our brands, and our plant in Nitra, Slovakia will be updated to produce electric vehicles by 2030. Our new £250 million Future Energy Lab in Coventry, UK will enable greater development ownership and oversight of critical components in our electric vehicle supply chain.

Beyond our vehicles, *Reimagine* will generate new benchmarks in environmental, societal and community impact for a luxury business. We have committed to ambitious Science Based Targets, aimed at reducing our greenhouse emissions by 2030 compared to our FY19/20 baseline, and are working collaboratively with industry-leading partners and suppliers, to help reduce emissions by 46 per cent in our own operations and by 54 per cent per vehicle across our entire value chain.

To do this, our sustainability strategy is divided into three areas: Planet Regenerate, Engage for Good and Responsible Business:

Planet Regenerate is focused on environmental impacts and includes our climate commitments, circular economy strategy and emerging plans on nature and biodiversity. We aim to achieve net zero carbon emissions across our supply chain, products, and operations by 2039 with all brands offering pure-electric options by 2030.

Engage for Good builds on Tata Group's 150-year legacy of social responsibility and giving back to the community, through which more than 17.8 million lives have been positively impacted through community initiatives in FY22/23.

Our Responsible Business pillar includes our commitments, targets and performance. Our reported greenhouse gas emissions data has independent assurance, and the corporate governance and ratings firm, Sustainalytics, has given JLR a 'Low Risk' ESG Risk Rating, ranking JLR third out of 78 companies in the Automotive-Sub-Industry.

A key element of *Reimagine* is about partnerships with leaders in their field.

Announced in November 2023, we are partnering with Dow MobilityScience™ who have been the official material science partner for the Jaguar TCS Racing team since 2021. This partnership helps us to innovate and accelerate sustainable solutions.

We are partnering with NVIDIA, a pioneer in AI and accelerated computing, to give our clients the modern luxury driving experience they expect. We have benefitted from the strength of the wider Tata Group, partnering with Tata Consultancy Services to accelerate our digital transformation through cloud migration, cybersecurity and data services. In addition, Tata Technologies are implementing cloud-based Enterprise Resource Planning (ERP) software solutions to revolutionise operations for employees and suppliers.

Central to *Reimagine* is our partnership with Agratas, whose new UK gigafactory in Somerset will commence production in 2026 and of which we will be the anchor customer.

We also signed a Memorandum of Understanding with Tata Passenger Electric Mobility (TPEM), for the licensing of our Electrified Modular Architecture (EMA) for the development of TPEM's premium pure-electric vehicles series.

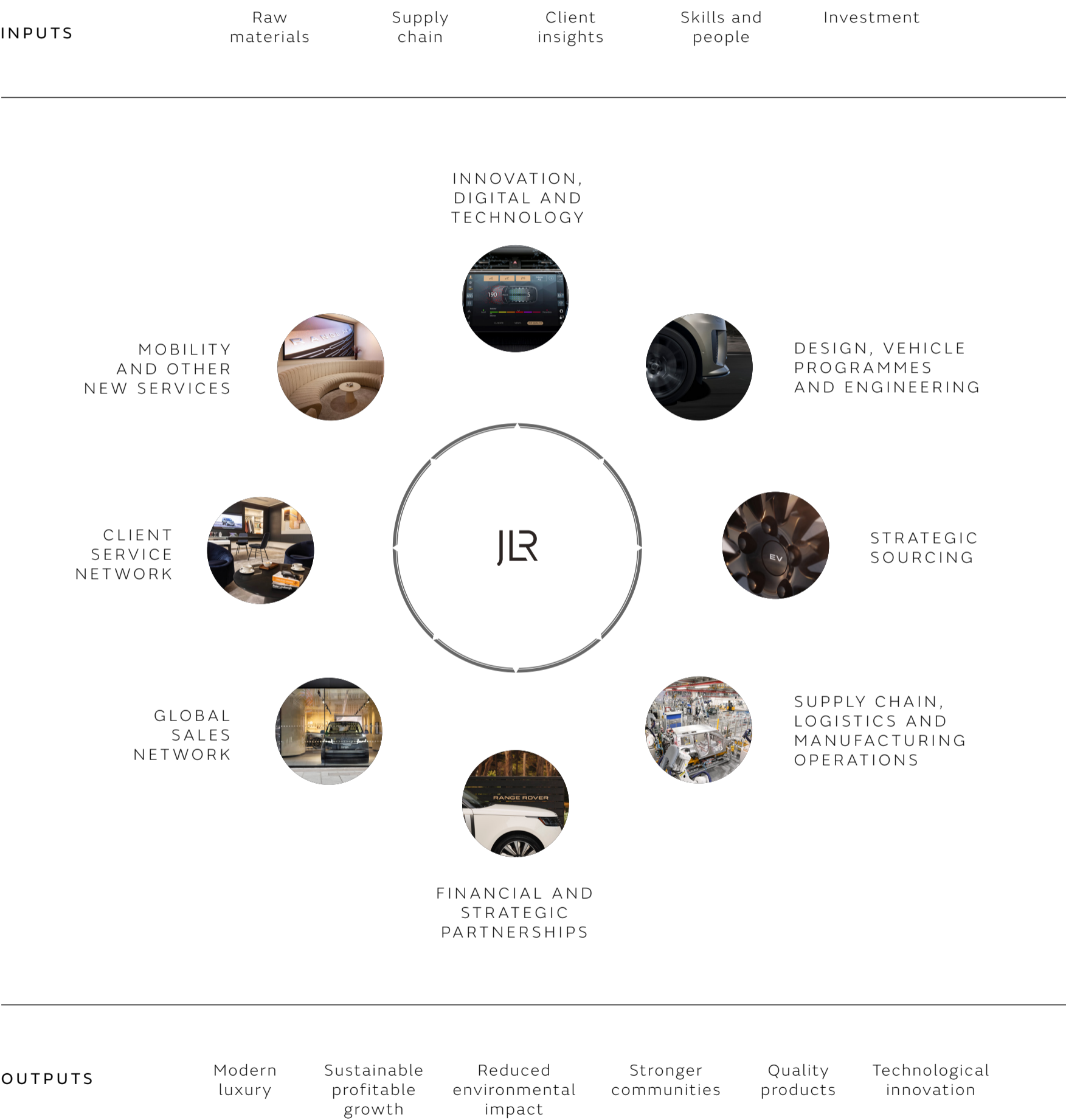
Through our Open Innovation programme, we are working with global start-ups and scaleups, to bring new thinking and new opportunities, including a collaboration with renewable energy specialists Wykes Engineering Ltd, to develop one of the largest energy storage systems in the UK using second-life Jaguar I-PACE batteries. This provides an important step in our carbon net zero strategy and allows us to explore commercial opportunities in the circular economy.

With *Reimagine* as our roadmap, we continue to transform our global business today for a sustainable, modern luxury future.



OUR BUSINESS MODEL

Our *Reimagine* strategy continues to evolve our business model, to redefine JLR as a client-centric company and realise its potential to generate sustainable, profitable, long-term value through operational excellence.



OUR YEAR IN REVIEW

FY23/24 was a milestone year for JLR. It was the year that our business emerged strongly from recent global crises to deliver its first full-year profit since FY21/22 and when the pace of delivery of our *Reimagine* strategy stepped up as we unveiled a new corporate identity, began transforming our facilities for electrification, celebrated our diverse cultures, and launched exciting new models.

RANGE ROVER

Under *Reimagine*, our brands are further establishing their position in the luxury segment. In May, 2023, we launched an SV Bespoke commissioning service for Range Rover, offering clients enhanced levels of personalisation and refinement, with an extended choice of materials, colour combinations and finishes.

In the same month, we announced the new and superlative Range Rover Sport SV Edition One, the most powerful Range Rover Sport ever. Such was its desirability that invite-only orders for this vehicle were fully reserved ahead of its launch in May.

Its arrival coincided with Range Rover Sport being named “Large Premium SUV of the Year” by Auto Express magazine, which declared it had “taken on the best alternatives from Germany and elsewhere ... and come out convincingly on top”.

In August 2023, we marked the first year of Range Rover House. Since 2022, over 40 Range Rover Houses have run across 20 countries, showcasing the brand’s unique modernist design philosophy to clients through curated experiences reflecting local cultural trends.

Range Rover House will continue to provide curated luxury experiences for select clients globally, including previews of exclusive new models and editions, set in highly desirable destinations.

The final Range Rover House installation of 2023, at Le Royal Monceau in Paris, France, was a celebration of the new Range Rover Evoque, which introduced new design and technologies to amplify its modern luxury credentials.

Matching refined exterior updates to a new interior with the latest technologies and material innovations, new Range Rover Evoque delivers the calm and tranquillity that is the hallmark of a Range Rover.

At the end of the calendar year, we opened the waiting list for Range Rover Electric, which gained 13,000 signatures in the first 28 days of going live, marking another key milestone in our electrification journey. The first of its kind in the brand’s 54-year history, Range Rover Electric

is a feat of engineering with distinguished performance and engineering enabled by one of the most rigorous engineering sign-off programmes embarked upon.

DEFENDER

Defender also headed into new territory. The launch of its official TikTok account, in collaboration with pioneering British rapper, songwriter and actor Kano, set out to reach a new digital audience in parallel with the community of Defender owners.

Meanwhile, the Defender 130 Outbound launched globally in 2023 and heralded an expansion of the Defender collection, with distinctive design enhancements and a five-seat spacious interior to satisfy the most adventurous of clients.

Later in June, Defender was announced as the Official Vehicle Partner of the UK’s 2023 Glastonbury Festival at Worthy Farm. We provided a fleet of 20 low-emission Defender 110 electric hybrids to transport headline artists to the Pyramid Stage in comfort, with the vehicle’s batteries charged using power generated by Glastonbury’s solar panels and other low carbon and low emissions energy sources.

JAGUAR

As a fitting tribute to the last Jaguar internal combustion engine sports cars, the sound of its last V8 F-TYPE sports car was recorded, to be archived alongside other culturally significant sounds in the British Library in London.

A collection of 30- and 47-second tracks were composed from special sound recordings inside the acoustically accurate semi-anechoic chamber at our Gaydon Engineering Centre; an innovative way to celebrate this part of the iconic British brand’s history.

This felt a fitting tribute as we announced the last chapter of Jaguar’s history as a producer of internal combustion engine sportscars by launching our 75 edition F-TYPE denoting the 75 years of Jaguar as a sports car maker.





Jaguar will be radically reimagined in 2025, as an exuberant, compelling and truly aspirational all-electric, modern luxury brand. This vision for Jaguar is captured in its purpose to be a copy of nothing, illustrating its promise to do things differently, and attract a new audience of discerning clients.

Doing so recognises Jaguar’s provenance in British creativity since 1935 and captures the spirit of the brand at its best, in creating distinctive, progressive design-led cars, and a true sense of aspirational luxury.

We successfully reinvented the Defender and we can be trusted to reimagine Jaguar.

ENTERPRISE

The strength of being part of the Tata family and the synergies we form together were amplified this year, not just benefitting JLR, but also the wider group.

This was evident as we took another step in our digital transformation by launching a new collaboration with sister company Tata Technologies. The initiative will deliver end-to-end integrated Enterprise Resource Planning (ERP) to transform our manufacturing, logistics, supply chain, finance and purchasing modules by bringing data from multiple departments into a single source.

We also expanded our long-standing partnership with another sister company, Tata Communications, to accelerate our digital transformation. Their expertise, including cloud migration, cybersecurity and data services, as well as connecting JLR to its 128 sites worldwide, will reduce net expenditure, unlock free cash flow, increase production speed and make our supply chain more secure and robust.

We entered into a Memorandum of Understanding for the licensing of our Electrified Modular Architecture (EMA) to Tata Passenger Electric Mobility (TPEM) for use in their all-new premium electric car, named the Avinya. The partnership will accelerate the development of TPEM’s premium pure-electric vehicle series.

In July our parent company Tata Sons announced that Agratas would build a gigafactory in the UK, with the site later confirmed as the Gravity Business Park in Somerset. This news was another critical milestone in our

Reimagine strategy because, as the anchor customer of the gigafactory, it ensures that we will have a stable and secure supply of battery cells, at the right cost, and near to our UK manufacturing base.

Last year, we marked the first anniversary of our Open Innovation programme by announcing the expansion of its global presence, into Silicon Valley, USA after successful growth of ecosystems in the UK and Brazil.

In the past year, the Open Innovation programme has engaged with over 600 start-ups globally, resulting in 27 co-creation projects.

Meanwhile, InMotion Ventures, our corporate venture capital arm and an essential part of our Open Innovation ecosystem, has invested in seven companies focused on helping to provide more sustainable products and services. For example, Gen Phoenix and Uncaged are helping us identify alternative materials to conventional leather, while Deepform is a start-up exploring how we can reduce waste in our body-in-white operations.

ELECTRIFICATION

In 2023, we accelerated the transformation of our facilities for electric vehicle production, as we prepare to electrify all our brands by 2030.

Following our announcement that Halewood, in Merseyside, UK, will become our first all-electric production facility using our pure-electric modular architecture (EMA), the site has seen huge transformation as the teams prepare to bring our first medium-sized EV vehicle to life.

Physical changes include extending the body construction building, installing new assembly lines, adding hundreds of new robots and installing a painted body shop.

All of these represent major milestones accomplished on our EMA journey. Elsewhere, at Solihull in the West Midlands, UK, our teams have been preparing the plant to build the first Range Rover Electric models. The teams installed a new £70 million underbody facility as well as a new body shop costing around £130 million, to achieve further production increases for our Range Rover models.

Range Rover Electric will be built at Solihull on the flexible MLA alongside existing mild and plug-in hybrid Range Rover vehicles, enabling us to offer vehicles suitable for specific regional legislation and tastes.

Our medium-sized EMA architecture will be pure-electric only, to appeal to regions moving faster towards electrification and our pure-electric Jaguars will target a new luxury client and reposition the brand in the luxury space.

In Nitra, Slovakia, colleagues celebrated the plant's fifth anniversary producing our incredible Defender and Discovery models. Nitra has been a huge success story, taking a third shift of production in its stride. It was also confirmed that Nitra would remain the home of Defender as it commences production of electric vehicles by the end of the decade, securing its future in the electric era.

As part of our existing Future Skills Programme that will see 29,000 trained in electrification and digital, we launched two recruitment initiatives during the year. In the summer of 2023, we announced the need for 100 highly skilled technicians to maintain production equipment in a new body shop at Solihull, as well as 200 technicians and test engineers to support the testing and development of electric vehicles at our Gaydon and Whitley sites.

In the final quarter, we launched a recruitment drive for 250 propulsion engineers to develop our next-generation propulsion systems, 40 of which were battery specialists responsible for building JLR's core competency in battery chemistry, design and systems.

We also confirmed the future for our Engine Manufacturing Centre in Wolverhampton, UK, which has been renamed the Electric Propulsion Manufacturing Centre. Its future will be producing electric drive units (EDUs) and battery packs for electric vehicles across our brands. Our engineering centre in Whitley, Coventry, also opened a £250 million, state-of-the-art Future Energy Lab for testing and developing EDUs for all our brands.

This site is an important milestone in our electrification journey, taking the design and development of critical components in-house and providing greater ownership and oversight of our electric vehicle supply chain.

SUSTAINABILITY

Progress towards our electric future reaffirms our commitment to our *Reimagine* strategy, with an aim to be carbon net zero across our products and operations, by 2039.

To that end we announced a collaboration with Wykes Engineering Ltd, a leader in the renewable energy sector, to develop one of the largest energy storage systems in the UK, capturing solar and wind power in second-life Jaguar I-PACE batteries. Using batteries supplied from prototype and engineering test vehicles, our initiative currently stores a total of 2.7 MWh of energy.

As well as being an important step in our carbon net zero strategy, this collaboration allows us to explore a commercial opportunity in the circular economy. Second-life battery supply for stationary applications, such renewable energy storage, could exceed 200 GWh per year by 2030, creating a global value potential of over \$30 billion.**

During the year, we also detailed how we aim to generate a quarter of our UK electricity by implementing new onsite and near-site renewable energy projects, cutting energy bills, reducing Co₂e emissions and reducing reliance on grid energy.

Plans include the installation of a variety of solar panels with the first three projects at our Halewood plant in Merseyside, the Electric Propulsion Manufacturing Centre (EPMC) in Wolverhampton, and our Gaydon headquarters due to be completed by the end of 2025.

At Gaydon, a new 18.2 MW ground-mounted solar array combined with existing roof-mounted solar array will generate approximately 40 per cent of the site's energy.

Self-generated solar capacity at the EPMC will increase by 145 per cent through the expansion of existing rooftop arrays to generate 18.9 MW, enough power to cover 30 per cent of the site's total consumption.

**McKinsey, Second-life EV batteries: The newest value pool in energy storage and McKinsey, Battery 2030: Resilient, sustainable, and circular



Towards the end of the year, we were pleased to be awarded our ESG Risk Rating from Sustainalytics. We further improved, with our 'Low Risk' score lowered from 17.1 to 15.6, and ranking improved from the fourth to the third lowest risk out of 78 companies in the Automotive Sub Industry.

With sustainability at its core, the Jaguar TCS Racing Formula E team continues to showcase our all-electric capability and drive new innovations to benefit our electric future.

In 2023, after 16 races across eleven cities and five continents, Jaguar TCS Racing finished runners-up in the ABB FIA Formula E World Championship with the team's biggest points haul to date, and successes including 11 podiums, four wins, and three pole positions.

As well as racing for the world championship, we and our world-class portfolio of partners are focused on transferring what we learn on the racetrack, to Jaguar's reimagining as an all-electric modern luxury brand from 2025.

PEOPLE

We are a proud inclusive employer and believe that becoming a more diverse business is fundamentally linked to our increasing performance, and to understanding and exceeding our clients' expectations.

Demonstrating our commitment to inclusivity and expression, in FY23/24 we launched a new, inclusive workwear collection following 18 months of research and an investment of over £3 million. Led by the voices of our people, we developed adaptable designs and inclusive provisions that prioritise comfort and durability, without compromising the diverse needs of our creators. Using a combination of recycled polyester and cotton, the new JLR workwear is available in over 300 variants, including maternity trousers and JLR-branded hijabs, all with unique temperature regulation features.

By introducing our new JLR workwear, we hope to reflect the diversity of our people, and ensure our corporate identity reflects their own expression of their gender, faith or background.

Throughout the year, we continued to drive a strategic people agenda, implementing fundamental changes to our performance approach through Creators' Conversations, underpinned by immersive developmental experiences for our leaders and managers, building their capability to lead and manage in the culture we aspire to.

To understand our people further, we carried out our first ever wellbeing survey, with 18,000 employees revealing that 74.8 per cent felt their manager cares for them and 73.9 per cent feel supported to make decisions about their health and wellbeing. This survey provided valuable insights that will help us improve the psychological and emotional health of our people.

To bring us closer to the communities in which we operate and to inspire the next generation of JLR creators, we held 10 Proud Creators Days this year, where over 28,000 colleagues, families and friends came behind the scenes to learn about design and engineering at Gaydon and Whitley, and manufacturing at four sites across the UK.

Our proud creators also dedicated 22,960 hours to helping others in their own communities this year. Our employee networks raised over £200,000, while our 'JLR Challenge' generated over £50,000 for good causes from 500 colleagues taking part in a variety of challenges in the Cambrian Mountains. In November 2023, our UK colleagues also raised £29,000 for the annual 'Movember' charity campaign, raising awareness of men's health issues.

Around the world, we also joined the PRIDE community in 2023, taking part in annual PRIDE parades, with Jaguar returning as a sponsor for the parades in Birmingham, UK and New York, USA.

We are clear that the more we celebrate each of our individual backgrounds, needs and perspectives equally, the better we understand and exceed our clients' expectations.



OPERATING ENVIRONMENT

External challenges have had varying levels of impact on our business throughout FY23/24. We have responded to these challenges and consistently improved our performance, year-on-year. Our journey and progression to becoming proud creators of modern luxury evolves, reaffirming our commitment to our *Reimagine* strategy.

CHALLENGES

Supply Constraints and Order Book

During FY23/24, the ongoing supply chain challenges initially continued to limit our ability to build cars in line with client demand, but these challenges eased as the year progressed. In conjunction with this easing, and to be more responsive in the future, we have been working towards our vision of having a state-of-the-art industrial operation. We anticipate that the actions we have taken this year will continue to minimise the impacts on our volumes and allow us to be more resilient.

The order book continues to reduce as expected, as increased production has allowed more client orders to be fulfilled. Range Rover and Defender have proved to have strong demand with minimal levels of variable marketing expense, however, there is increased focus on stimulating demand to maintain the order book at natural levels.



Inflation

We are still seeing inflationary pressures in labour and logistics, particularly with the completion of the two-year deal negotiation with the trade unions, however chip and material costs, including commodity prices are moderating. Interest rates exposure is being offset through our investment policy, allowing us to benefit from the high interest rate environment. In semiconductor inflation, we have seen some price increases, however our supply needs have been satisfied following the development and maintaining of strong partnerships with suppliers.

Theft and Insurance

One of the most pressing challenges during FY23/24 was vehicle thefts and the related insurance issues in the UK. Vehicles manufactured from 2022 onwards are built on our most advanced electrical architecture, meaning they have the latest security features and are proving highly

resilient to theft. Vehicles built after 2018 have benefitted from over £15 million of investment, including a series of enhanced security updates rolled out to 150,000 vehicles so far to help tackle keyless thefts. This security technology, which is being deployed to previous generation vehicles, will ensure they are updated with the same levels of protection as current models. We also launched three new JLR Insurance products to support UK clients, as part of our financial services offering.

Geopolitical

Geopolitical challenges, including ongoing and increasing geopolitical tensions, have global reach and impact supply chains. The Red Sea shipping issues have resulted in ships being re-routed, impacting transport timings for materials and vehicles. We continue to monitor the supply of parts and delivery of vehicles and scenario plan against a range of outcomes.

OPPORTUNITIES

Tata Ecosystem

Our partnerships with Tata Group companies are key and in FY23/24 we have leveraged many opportunities that exist within the Tata ecosystem.

Agratas, a subsidiary of Tata, plan to invest £4 billion to build a battery cell gigafactory in the UK. Our partnership with Agratas is expected to create significant efficiencies in logistics and manufacturing for our business.

We have also collaborated with Tata Technologies, to accelerate the digital transformation of our industrial strategy. The partnership will allow us to transform our core Enterprise Resource Planning infrastructure to deliver the efficiency and usability we require for the future and our transformation objectives.

We have extended our partnership with Tata Consultancy Services (TCS), where they will support the rapid transformation and simplification of our digital infrastructure and IT estate, supporting our business' transformation.

We have announced the strategic collaboration with Tata Passenger Electric Mobility Ltd (TPEM) on the EMA platform, which underpins our next generation of all-electric medium-sized SUVs. The collaboration will also enable sharing of other engineering and sustainability innovation to maximise benefits from technology investment across the Tata business.

We will continue to leverage synergies within the Tata ecosystem.



Execution of *Reimagine* and Transition to Electrification

Our commitment to *Reimagine* and our journey to modern luxury continues to progress. We have reimagined Jaguar as an all-electric, modern luxury brand, delivering the most exuberant and exceptional electric vehicles; a copy of nothing.

The Range Rover Electric waiting list is now open with over 26,000 clients already signed up as at 31 March 2024. Its exemplary British design remains distinctive and unwavering, while its go-anywhere capability will ensure towing, wading and all-terrain technology surpass any other luxury electric SUV. We are investing £70 million in an underbody facility at Solihull, UK, to help deliver this new era for Range Rover.

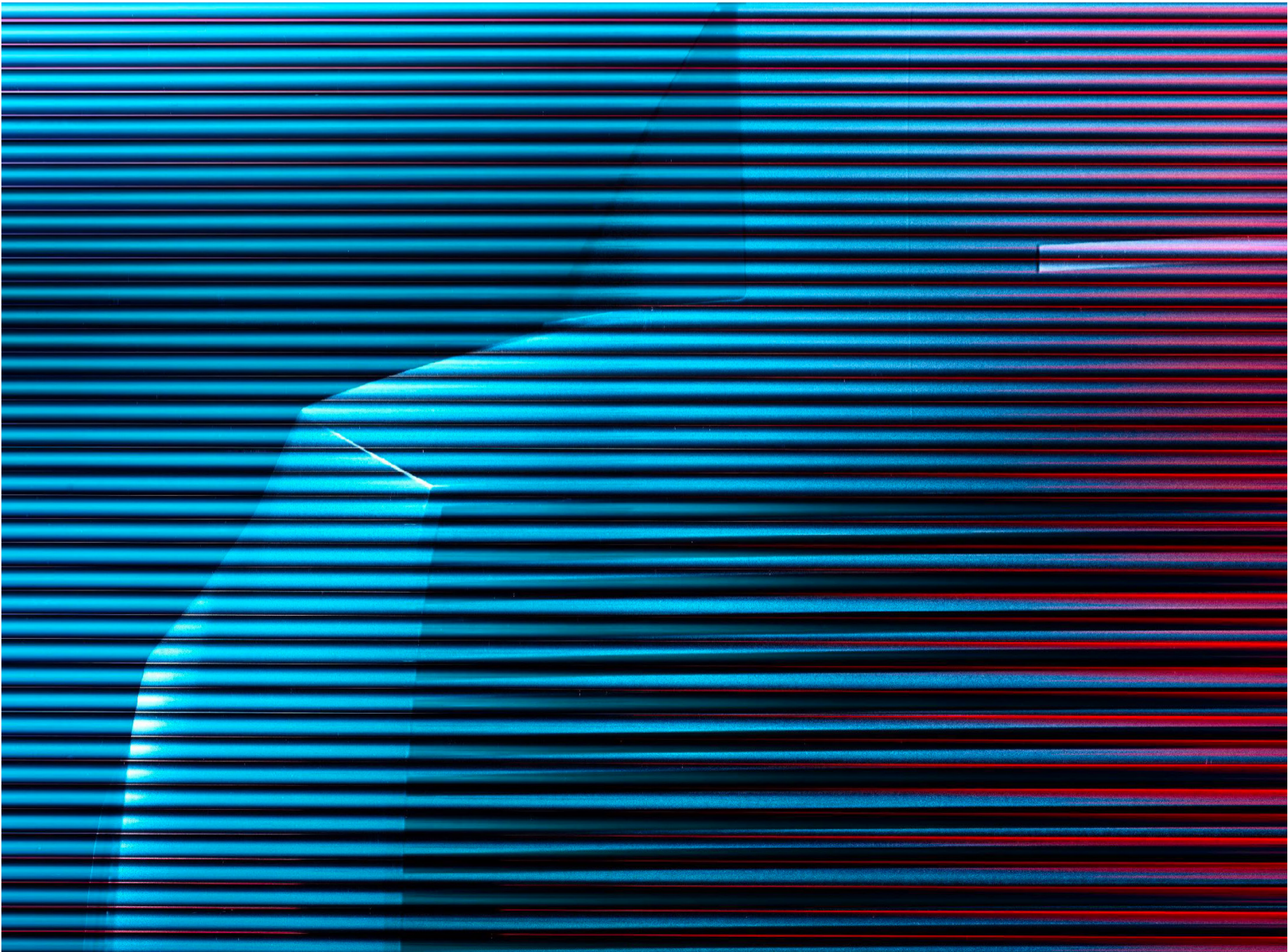
As part of our £15 billion investment in electrification, we have announced our plant in Nitra, Slovakia will be reconfigured for electrification. Nitra will be producing electric vehicles by the end of the decade, another milestone in our *Reimagine* strategy.

Our shift to electrification is central to transforming our business and to achieve carbon net zero by 2039. We continue to position ourselves to be an electric-first modern luxury car manufacturer by 2030.

Artificial Intelligence (AI)

We have harnessed the power of AI to protect and strengthen our supply chain. This has digitised the supply chain, moving from a reactive approach to a predictive approach and provides end-to-end transparency, allowing us to manage risks before they cause disruption.

Our multi-year strategic partnership with NVIDIA, the leader in AI and computing, will see us develop and deliver next-generation automated driving systems, services, and experiences for clients. Starting in 2025, all our new vehicles will be built on the NVIDIA DRIVE™ software-defined platform, delivering a wide spectrum of active safety, automated driving and parking systems as well as driver assistance systems such as advanced visualisation of the vehicle’s environment. The capability to use AI and the acceleration of computing data allows us to constantly deploy features to the customers and update and upgrade platforms more rapidly. This is a peerless symbol of modern luxury.

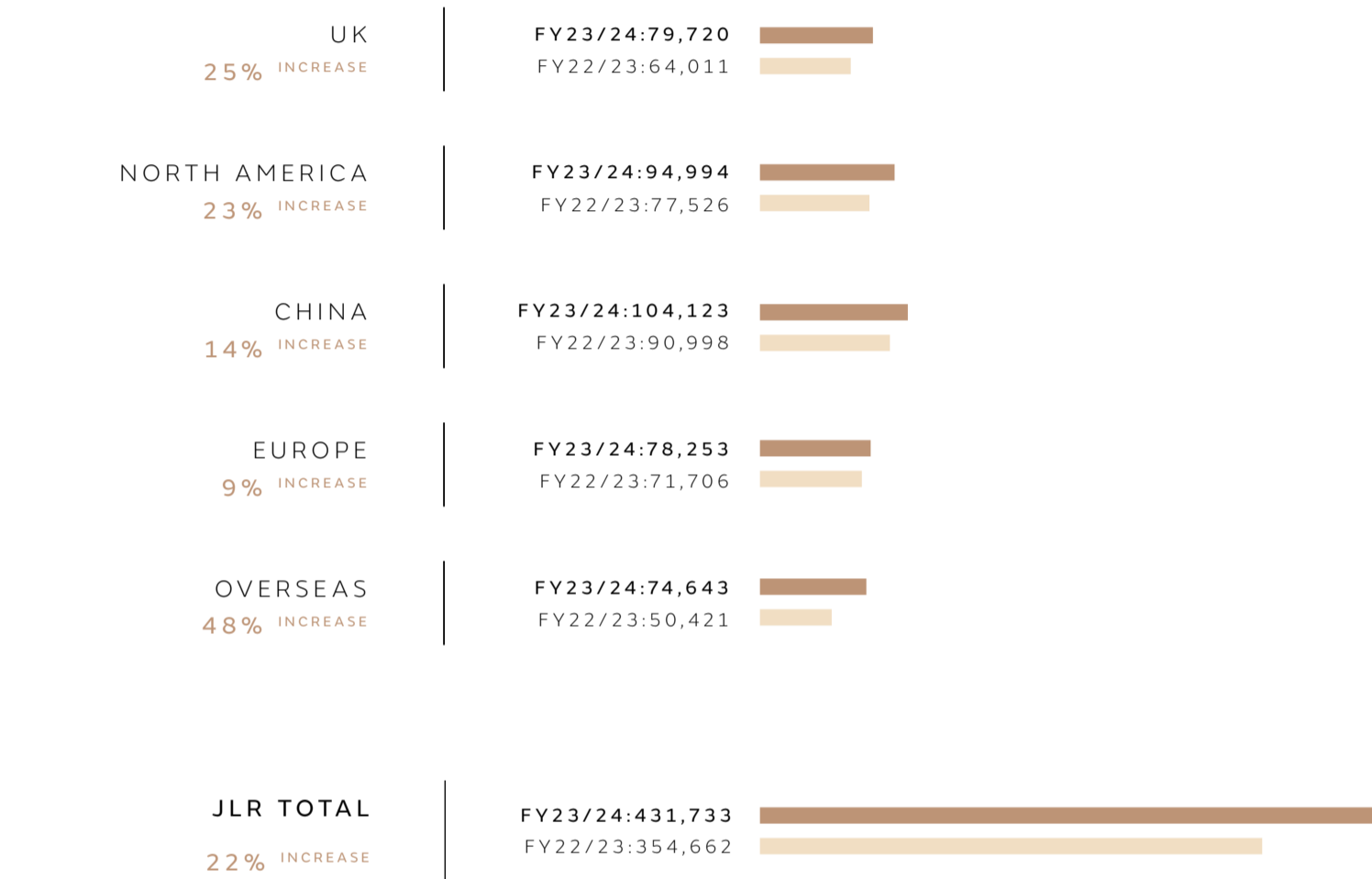


GLOBAL RETAIL SALES BY REGION

Our retail sales¹ were 431,733 vehicles in FY23/24, up 77,071 vehicles (21.7 per cent) year-on-year. The increase in sales reflects the strong demand for our products, along with the ramp up of production volumes.

Total retail sales from our China Joint Venture were 50,130 vehicles for FY23/24. Sales were down 1.5 per cent compared to the prior year due to production prioritisation as we worked to fulfil client orders.

Full year retail sales were higher year-on-year in all regions, including Overseas (up 48.0 per cent), UK (up 24.5 per cent), North America (up 22.5 per cent), China (up 14.4 per cent) and Europe (up 9.1 per cent).



1 Please see note 3 of the financial statements on page 96 for alternative performance measures. Jaguar Land Rover retail sales represent vehicle sales made by retailers to end customers and include the retail sale of vehicles produced by CJLR.

GLOBAL RETAIL SALES BY BRAND

The Range Rover brand retailed 203,788 vehicles, up 20.6 per cent year-on-year as we have increased production levels across Range Rover models. Range Rover brand accounted for 47.2 per cent of total retail sales, down slightly from 47.6 per cent in FY22/23.

Retail sales for Defender were 114,646, up 53.1 per cent compared to FY22/23 and equated to 26.6 per cent of total retails. This is due to strong client demand combined with the plant in Nitra, Slovakia, producing Defender at a three-shift pattern.

Discovery brand retailed 46,433 vehicles, down 3.9 per cent year-on-year due to the prioritisation actions for fulfilling client orders of other models. Discovery made up 10.8 per cent of total retails during the year.

The Jaguar brand retailed 66,866 vehicles, up 6.9 per cent year-on-year due to an increase in production. Jaguar accounted for 15.5 per cent of total retails in FY23/24.



RANGE ROVER

FY23/24: 203,788
FY22/23: 168,949

21% INCREASE



DEFENDER

FY23/24: 114,646
FY22/23: 74,881

53% INCREASE



DISCOVERY

FY23/24: 46,433
FY22/23: 48,311

4% DECREASE



JAGUAR

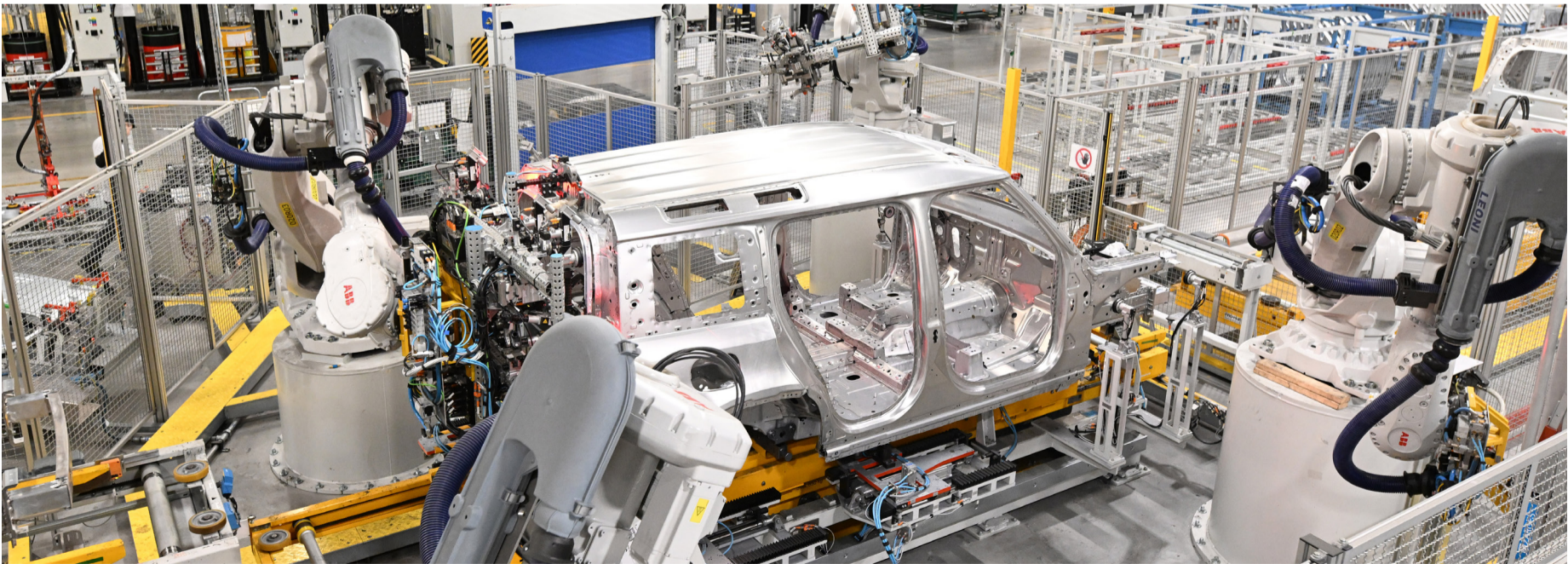
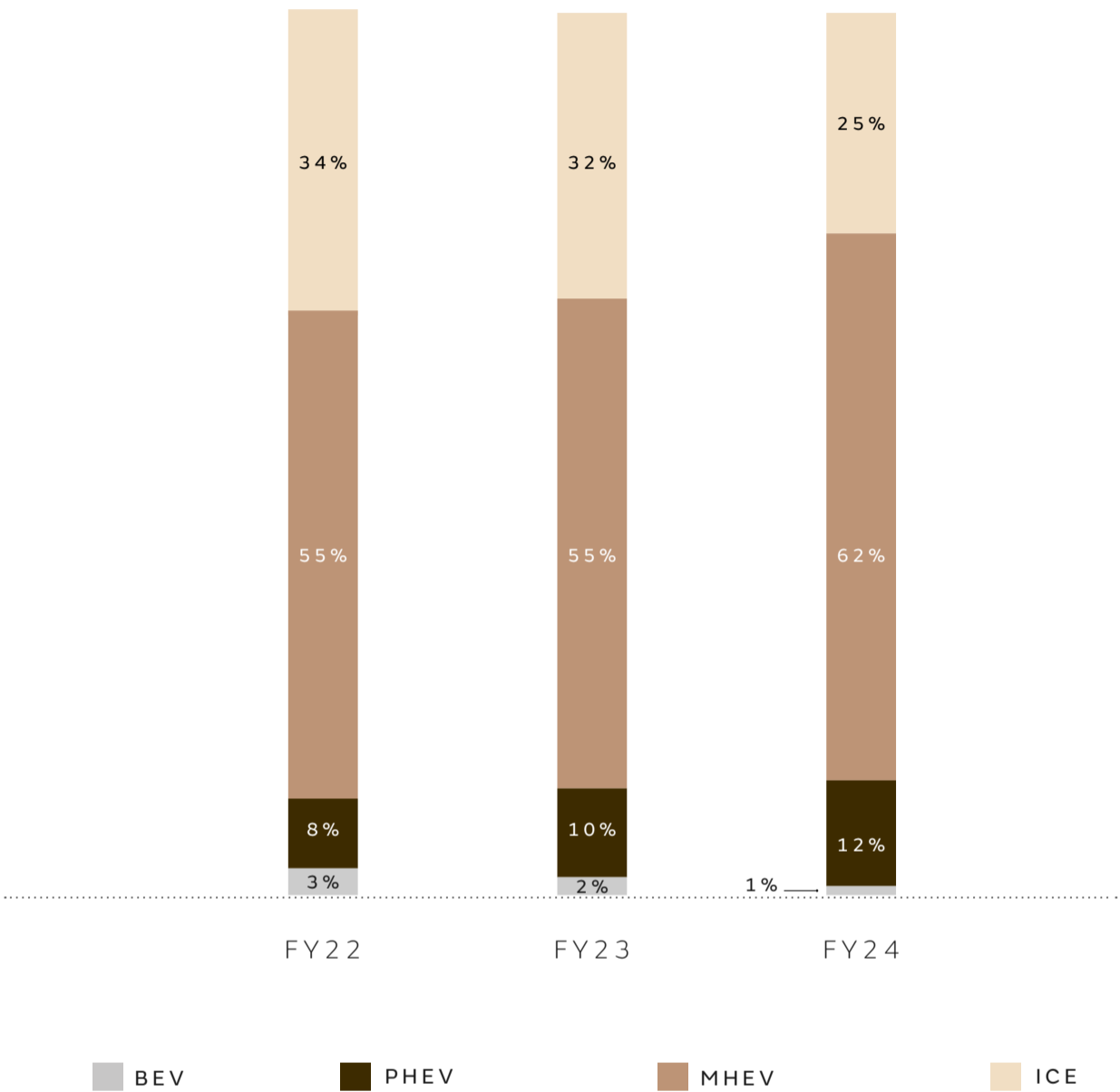
FY23/24: 66,866
FY22/23: 62,521

7% INCREASE

GLOBAL RETAIL SALES BY POWERTRAIN

During FY23/24, we continued to offer electrification options across our 13 nameplates, with plug-in hybrid electric (PHEV) available on eight models and mild hybrid electric (MHEV) available on 11 models, as well as the all-electric Jaguar I-PACE.

In FY23/24, electrified vehicles totalled 75 per cent of our retail sales (up from 67 per cent in FY22/23) including one per cent for the all-electric Jaguar I-PACE, 12 per cent PHEV and 62 per cent MHEV.



CHIEF FINANCIAL OFFICER'S STATEMENT



RICHARD MOLYNEUX
CHIEF FINANCIAL OFFICER



The financial year ending 31 March 2024 saw many of the challenges we faced in previous years ease. Improved production and sustained global demand for our products led to us achieving our highest ever annual revenue and highest profit since FY14/15. Our record free cash flow of £2.3 billion allowed us to reduce our debt by repaying maturing debt and the completion of a \$400 million tender for three of our bonds.

Our liquidity position for the year has remained strong with our net debt position as at 31 March 2024 being £0.7 billion. Our consistent performance during the year was recognised by S&P and Moody's with a two-notch credit upgrade to BB and a one-notch upgrade to Ba3 respectively; both with positive outlook.

Wholesale volumes for the full year (excluding sales from our China joint venture) were 401,303, up 24.9 per cent compared to the prior year, with sales in all regions up year-on-year. In the fourth quarter, we delivered the highest wholesale volume for 12 quarters.

Retail sales (including sales from our China joint venture) were 431,733, up 77,071 units (21.7 per cent) compared to the previous year. The increased retail sales reflected that we were quicker at fulfilling orders, thereby reducing the waiting times to receive new vehicles. Of the retail sales referenced above, 75 per cent were electrified (which includes BEV, PHEV and MHEV offerings), compared to 67 per cent in FY22/23.

Revenues for the year were £29.0 billion, up 27.1 per cent year-on-year, reflecting higher wholesales and a favourable product mix. Production levels of Range Rover and Range Rover Sport have significantly increased over the year with the addition of a second MLA body shop at Solihull. We have also continued the three-shift production at our Nitra factory, which produces the Defender.

Profit margins improved with an adjusted EBITDA margin¹ of 15.9 per cent (4.3 percentage points higher year-on-year) and adjusted EBIT margin¹ of 8.5 per cent (up 6.1 percentage points year-on-year), driven by higher wholesales, favourable sales mix and improved pricing. Profit before tax

and exceptional items in FY23/24 was £2.2 billion, compared to a loss before tax and exceptional items of £(64) million in the prior financial year. Profit after tax was £2.6 billion, up from a loss of £(60) million a year ago. We recognised a deferred tax asset (DTA) of £1.0 billion, due to improved performance leading to a reassessment of the future recoverability of DTA relating to tax losses/allowances accumulated in previous periods.

Our commitment to our *Reimagine* strategy and specifically to electrification was reflected in the £3.3 billion of investment spend during the year. Free cash flow after investment spending was £2.3 billion for the full year, including a working capital benefit of £648 million.

During the year, we repaid £1.8 billion equivalent of debt, reducing total gross debt to £(4.9) billion as at 31 March 2024. We ended the year with a global cash balance of £4.2 billion reflecting total cash and cash equivalents, deposits and investments. Our available liquidity, including the £1.5 billion undrawn revolving credit facility ("RCF"), was £5.7 billion at 31 March 2024.

We are on an exciting journey as part of our *Reimagine* strategy and look forward to delivering even more modern luxury vehicles and experiences to our clients.

A handwritten signature in blue ink, appearing to read 'Richard Molyneux'.

RICHARD MOLYNEUX
CHIEF FINANCIAL OFFICER
Jaguar Land Rover Automotive plc
31 May 2024

¹ Please see note 3 of the financial statements on page 96 for alternative performance measures.

OUR FINANCIAL PERFORMANCE

CONSOLIDATED INCOME STATEMENT

The strong financial performance for FY23/24 was a result of improvements in production alongside sustained global demand. Revenue and Free Cash Flow for the year were the highest on record, whilst PBT and EBIT were the highest since FY14/15.

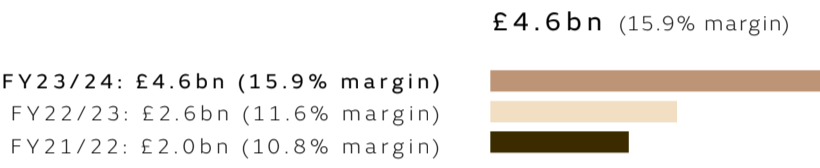
REVENUE

Revenue was £29.0 billion in FY23/24, up 27.1 per cent from £22.8 billion in the prior year. Wholesales (excluding the China joint venture) were up in all markets, by 24.9 per cent year-on-year to 401,303 units. Mix was strong with Range Rover and Defender brands accounting for 78.7 per cent of all wholesales in the year (up from 76 per cent in FY22/23).



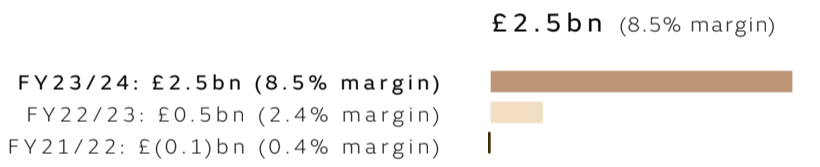
ADJUSTED EBITDA¹

Adjusted EBITDA was £4.6 billion¹ (15.9 per cent margin) in FY23/24, £2.0 billion higher than the Adjusted EBITDA of £2.6 billion (11.6 per cent margin) in the previous fiscal year. Higher wholesales, favourable sales mix and improved pricing more than offset the increase in fixed marketing and selling costs driven by investment in demand generation.



ADJUSTED EBIT¹

Adjusted EBIT was £2.5 billion¹ with a margin of 8.5 per cent in FY23/24, an increase compared to the Adjusted EBIT of £544 million¹ (2.4 per cent margin) in the prior year. This reflects the higher Adjusted EBITDA as mentioned above.



PROFIT BEFORE TAX EXCLUDING EXCEPTIONAL ITEMS

Profit before tax excluding exceptional items was £2.2 billion¹ in FY23/24, compared to a loss in the prior year (loss before tax and exceptional items was £(64) million¹ in FY22/23). This reflects the significantly improved EBIT, due to volume and easing of material cost pressures.



PROFIT AFTER TAX

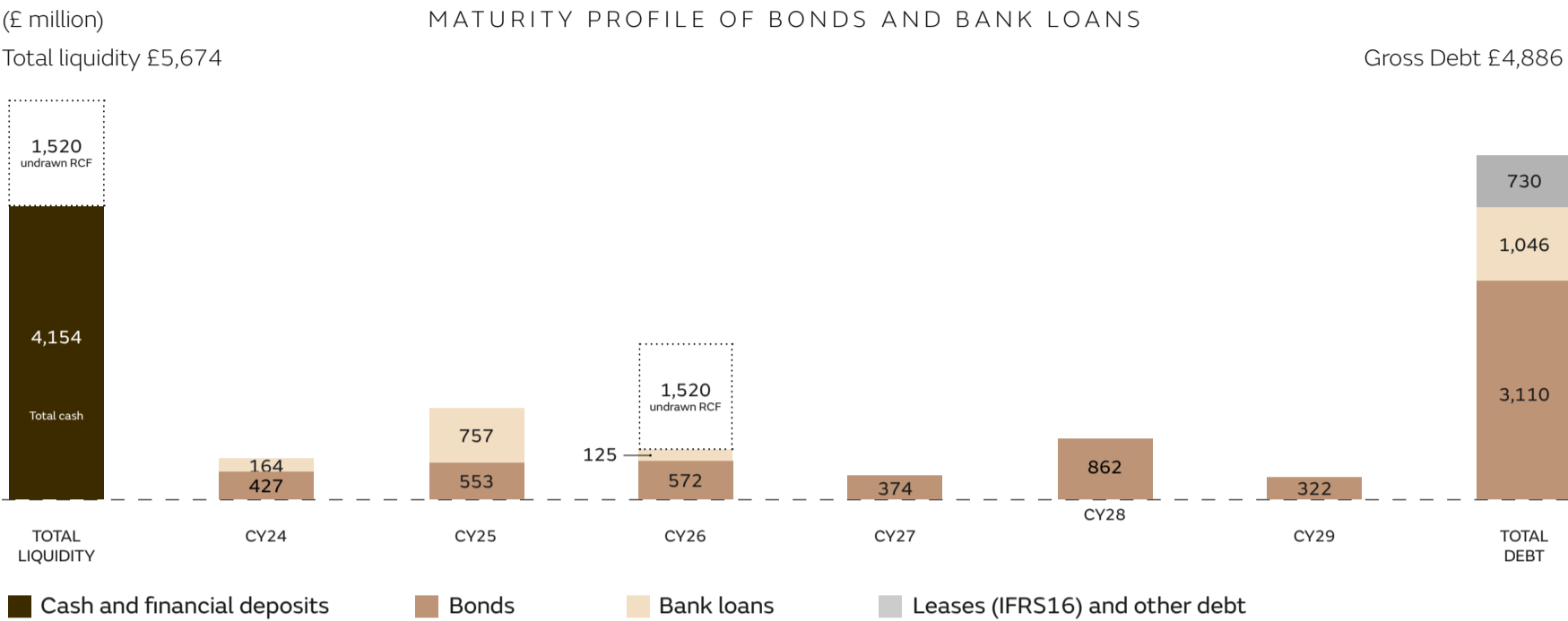
Profit after tax was £2.6 billion in FY23/24, compared to the loss of £(60) million in the prior year. A tax credit of £413 million was recorded in FY23/24, compared to a £157 million tax charge in FY22/23.



¹ Please see note 3 of the financial statements on page 96 for alternative performance measures

JAGUAR LAND ROVER AUTOMOTIVE PLC CAPITAL STRUCTURE

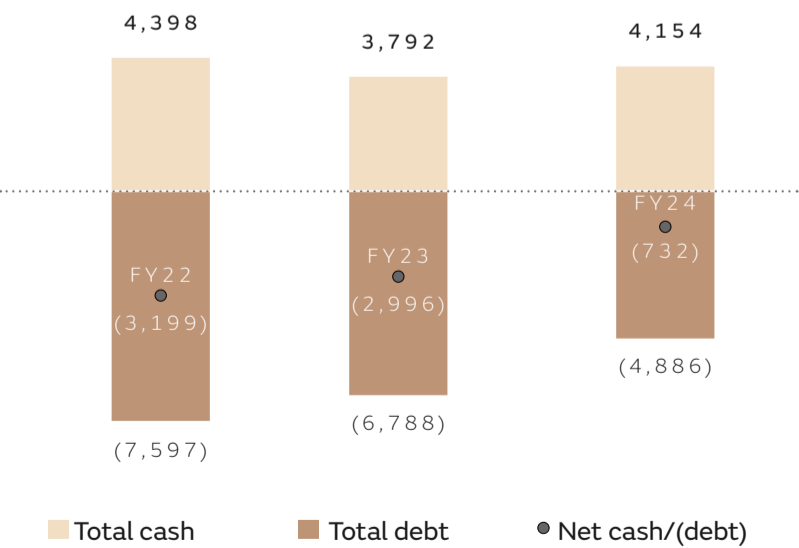
At 31 March 2024, we had £5.7 billion¹ of total liquidity, including cash and cash equivalents, financial deposits of £4.2 billion¹ and an undrawn committed revolving credit facility (RCF) of £1.5 billion. The RCF was renewed in December 2022. Our total debt outstanding at 31 March 2024 was £4.9 billion², giving a net debt position of £0.7 billion.



Note: CY refers to calendar year in the debt maturity profile above.

LIQUIDITY AND NET DEBT

Our total cash and cash equivalents, deposits and investments at 31 March 2024 were £4.2 billion¹ (14.3 per cent of revenue), compared to £3.8 billion¹ at 31 March 2023 (16.6 per cent of revenue). The balance at 31 March 2024 comprised cash and cash equivalents of £4.2 billion, of which £385 million was held in overseas subsidiaries, and deposits and other investments of £36 million. Including the £1.5 billion revolving credit facility (fully undrawn and committed until April 2026), total liquidity was £5.7 billion¹ at 31 March 2024 versus £5.3 billion¹ at the end of the prior year. The higher cash and liquidity is due to the strong cash flow. At 31 March 2024, gross debt was £4.9 billion and net debt (debt net of total cash and cash equivalents, deposits and investments) was £0.7 billion at 31 March 2024, £2.3 billion lower than the net debt position of £3.0 billion at the end of the prior year.



BORROWINGS AND INDEBTEDNESS

At 31 March 2024, we had £4.9 billion of debt outstanding, comprising:

- £3.1 billion of unsecured bonds
- £1.0 billion of unsecured loans
- £694 million of leases accounted as debt under IFRS 16
- £36 million of other debt.

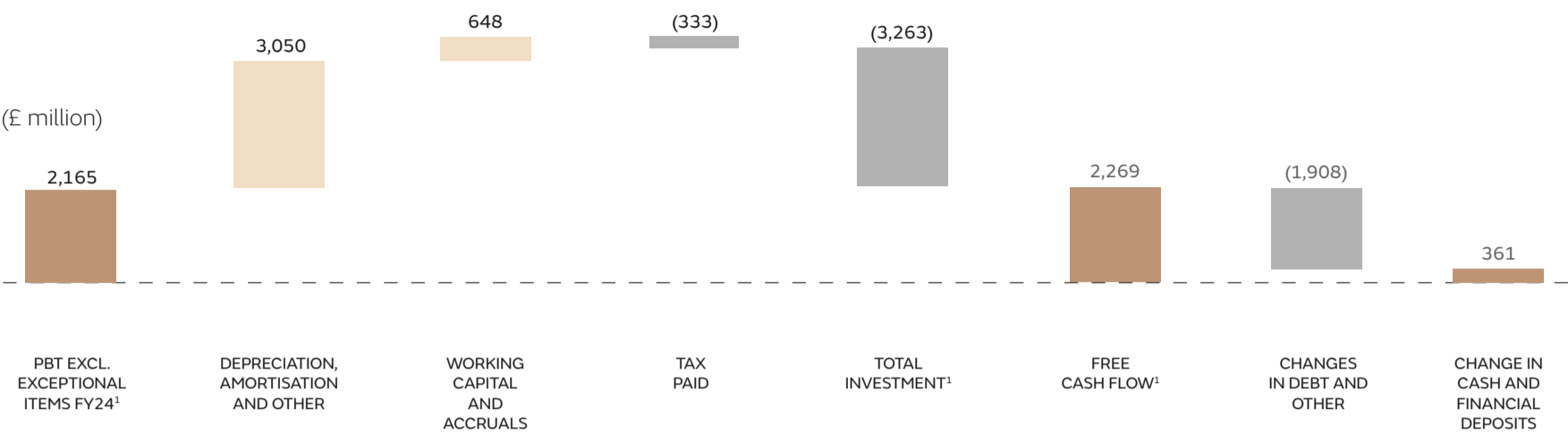
Of the £4.9 billion of debt, £0.4 billion is denominated in Pounds Sterling, £1.5 billion in Euros and £2.3 billion in US Dollars with the remaining £0.7 billion included as leases in other currencies. The maturity profile of debt is well balanced, with 30 per cent maturing within the next financial year, 62 per cent between one and five years and eight per cent with a maturity date beyond five years. During FY23/24, we repaid out of cash a €650 million bond in January 2024, ¥2 billion partial repayment of the ¥5 billion China syndicated loan in October 2023 and repayment of the remaining ¥3 billion of the China syndicated loan fully repaid in March 2024, in addition to £250 million of the loans guaranteed by UKEF which amortise throughout the year. Also, a tender offer was made on 6 October 2023 for the €500 million 6.875% senior notes due November 2026, the \$650 million 5.875% senior notes due January 2028 and the \$500 million 5.500% senior notes due July 2029. A total of c. £330 million equivalent of notes were tendered under the offer which completed on 18 October 2023. In December 2022 we renewed the Revolving Credit Facility for £1.5 billion, extending the facility until April 2026. No new debt was raised during FY24.

1 Please see note 3 of the financial statements on page 96 for alternative performance measures.

2 Please see note 27 on page 120 for further disclosure on our loans and borrowings.

CONSOLIDATED CASH FLOW

Free cash flow was £2.3 billion positive in FY23/24, after total investment spending of £3.3 billion¹, a significant increase of £1.7 billion compared to the £0.5 billion positive free cash flow in the prior year.



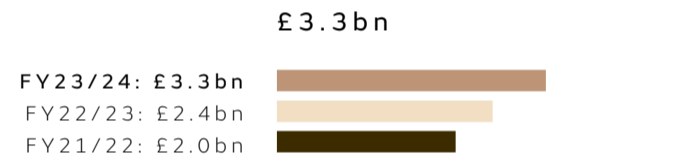
FREE CASH FLOW

Free cash flow was £2.3 billion in FY23/24 after the £3.3 billion of total investment spend, £648 million of working capital inflows, £333 million paid in taxes and £494 million of net finance expenses and fees.



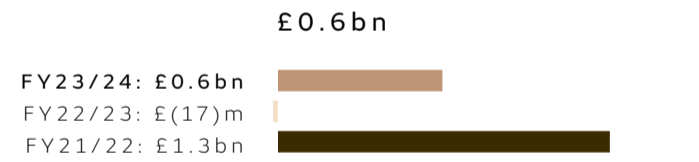
TOTAL PRODUCT AND OTHER INVESTMENT

Investment spending in FY23/24 was £3.3 billion (11.3 per cent of revenue), compared with the £2.4 billion (10.3 per cent of revenue) in the prior fiscal year. Of the £3.3 billion investment spend, £880 million was expensed through the income statement and the remaining £2.4 billion was capitalised. Total engineering and product spending accounted for £2.3 billion (71.5 per cent) of investment spending, while tangible and other intangible assets accounted for the remaining £930 million (28.5 per cent).



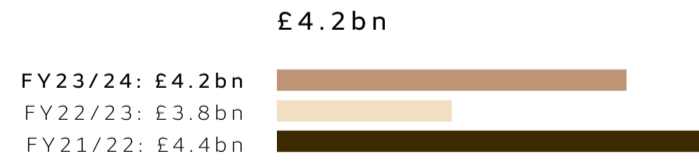
WORKING CAPITAL

Working capital inflows (including non-cash accruals) were £648 million during the year, reflecting a £(510) million increase in inventory, £(401) million increase in receivables and other financial assets, offset by £1,396 million increase in payables and other of £163 million.



CHANGE IN TOTAL CASH AND CASH EQUIVALENTS, DEPOSITS AND INVESTMENTS

Cash and cash equivalents, deposits and investments totalled £4.2 billion¹ at 31 March 2024, c. £362 million higher than the £3.8 billion¹ at the end of the previous year. The increase is explained by strong cash flow offset by the repayment of £1.7 billion (GBP equivalent value) of maturing debt during the year. No new debt was issued during the year.



¹ Please see note 3 of the financial statements on page 96 for alternative performance measures.

INTRODUCTION TO SUSTAINABILITY



Sustainability is at the heart of our Purpose, enabled through our *Reimagine* strategy and our Creators’ Code.

Sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their needs. Delivering our products and services in a way that reduces negative impacts on people and the planet, and maximises the positive, is a responsibility we take very seriously. Sustainability is a journey which requires engagement and commitment from all areas of our business and from wider stakeholders. Sustainability is not only the right thing to do but will be a key driver of value creation.

Our strategy is guided by the Tata Group’s [Project Aalingana](#) as well as the rich history that we and Tata have in giving back to the communities that we touch as a business. Our strategy comprises three pillars: Planet Regenerate, Engage for Good, and Responsible Business and is underpinned by our [Environmental and Social Policy](#).

PLANET REGENERATE

Transforming our business across the full value chain

Carbon net zero by 2039

Circular economy

Nature and biodiversity

ENGAGE FOR GOOD

Acting as a global citizen for sustainable development in the communities and environments in which we operate

Reducing inequalities

Youth development

Supporting the vulnerable

Nature and biodiversity

RESPONSIBLE BUSINESS

Doing business responsibly and with integrity

Proactive ESG risk management

Transparent reporting

Clear standards and policies

PLANET REGENERATE

Planet Regenerate is driving our company transformation towards reducing our environmental impacts. This includes our carbon net zero ambition by 2039.

Planet Regenerate focuses on climate, circular economy and nature and biodiversity. We want to adopt circular economy principles in design, materials, new services and end-of-life of our vehicles and we are assessing our impact and dependencies on nature and biodiversity with the aim of developing a strategy to reduce our impact.

ENGAGE FOR GOOD

Our Engage for Good programme has evolved as we strive to take care of the communities and environments in which we operate and to make a positive impact for the world.

Our strategy aligns to four key focus areas:

- 1. Reducing inequalities;
- 2. Youth development;
- 3. Supporting the vulnerable;
- 4. Nature and biodiversity.

We support this citizenship activity through partnerships with charitable organisations, employee volunteering, vehicle supply, and project funding.

RESPONSIBLE BUSINESS

The Responsible Business pillar of our strategy ensures we operate our business ethically and with integrity when it comes to environmental, social and governance (ESG) areas. This covers topics from climate change to data privacy, and from human rights to anti-bribery and corruption. Within this pillar, we focus on four key themes:

- 1. Monitoring and implementing existing and upcoming ESG legislation and regulation;
- 2. Developing the right strategies and governance processes to deliver our ESG commitments;
- 3. Embedding environmental and social risks into our enterprise risk management process;
- 4. Transparently disclosing and reporting our progress and performance.

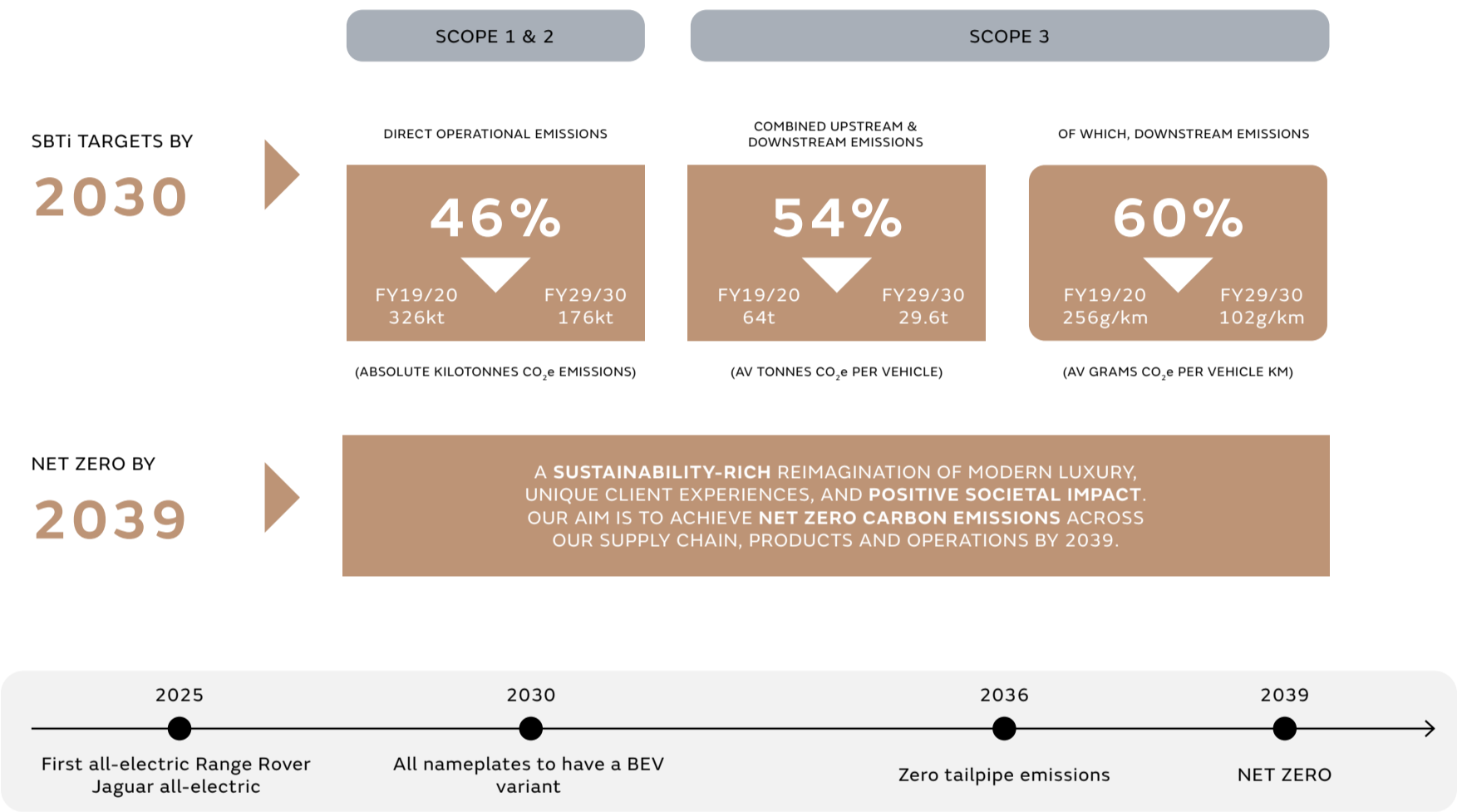


INTRODUCTION TO PLANET REGENERATE

Planet Regenerate is our strategy to positively transform the impact of our business on the climate, on resource use and on nature and biodiversity. Central to this strategy is our aim to be carbon net zero by 2039, through the decarbonisation of our manufacturing and operations, our supply chain and vehicles in use.

CARBON NET ZERO

In February 2021, as part of our *Reimagine* strategy, we stated our goal to be carbon net zero by 2039. To provide a pathway towards this long-term ambition, we published science-based targets in March 2022, for ambitious CO₂e reduction by 2030, of 46 per cent across our own operations (our scope 1 and 2 emissions), 60 per cent, per vehicle km, across the use of our vehicles and 54 per cent, per vehicle, across our value chain (inclusive of our supply chain and use of our vehicles). The calculation and reporting of these targeted emissions is in alignment with our [SBTi Reporting Methodology Statement](#).



OPERATIONAL EMISSIONS - SCOPE 1 AND 2

Our operational emissions are primarily composed of three elements: scope 1 emissions from the combustion of gas on our sites for heat and energy; emissions generated from company owned vehicles; and scope 2 emissions from electrical energy generation. Therefore, to decarbonise our operations to net zero we must:

- Reduce our energy consumption by driving greater efficiency and awareness on sites;
- Utilise onsite and offsite renewable energy to decarbonise scope 2 emissions;
- Reduce gas consumption and combustion at our sites through electrification.

PERFORMANCE AGAINST TARGETS

In FY23/24, we expanded the number of sites in scope of our science-based target from 31 to 36, to ensure we achieved 95 per cent coverage of our total scope 1 and 2 emissions within our reported figures. New sites include facilities in Dubai, Budapest, the USA and our global parts logistics centre in Leicestershire, UK.

Despite the increase in sites in scope, our absolute scope 1 and 2 emissions reduced to 247 ktCO₂e (146 ktCO₂e on a market-based approach). This was a 24.1 per cent reduction compared to our location-based FY19/20 baseline and 7.0 per cent ahead of our SBTi trajectory towards our FY29/30 target.

Key Initiatives

A total of 61 energy saving initiatives were implemented across the financial year to achieve this result, ranging from improvements in metering and monitoring to replacement of key equipment.

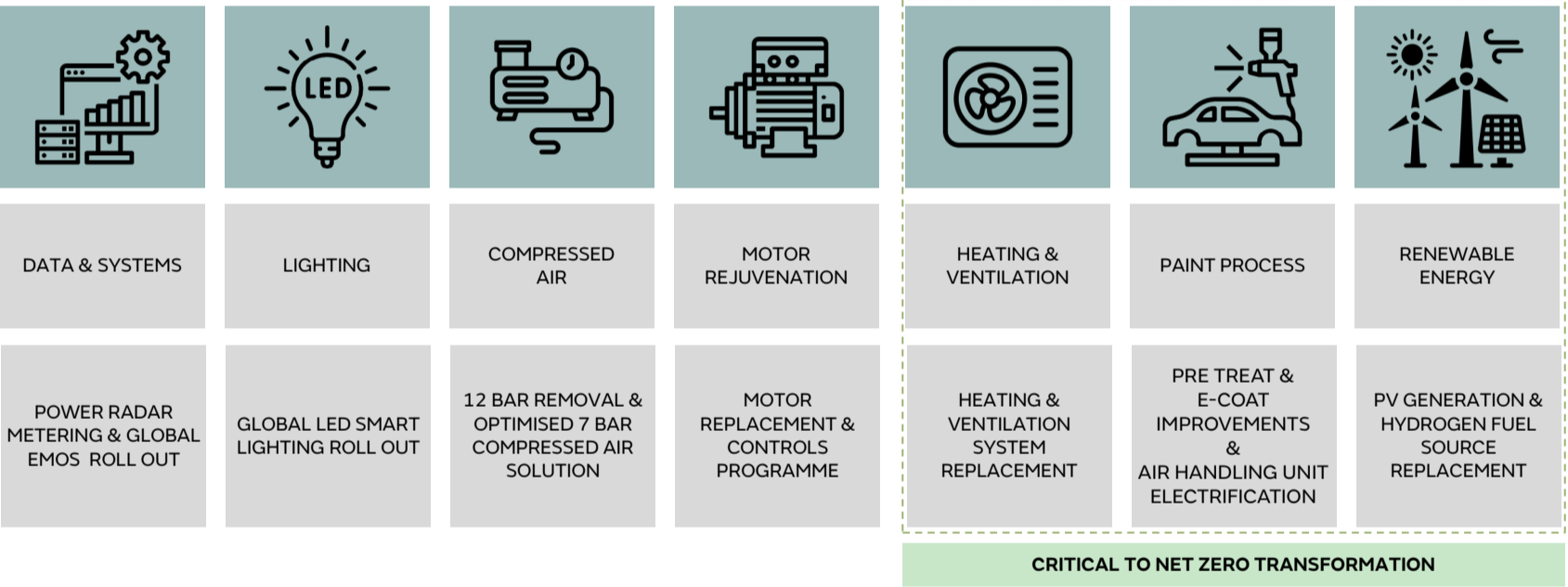
The following were central to this:

- A range of efficiency projects were implemented around our global production sites including the optimisation of our paint booths reducing gas combustion at Solihull, UK; the use of management software to power down actuators during shutdowns and off periods at Nitra, Slovakia; the installation of more efficient motors in our paint shop at Halewood, UK; and the installation of LED lighting at Itatiaia, Brazil.
- Our regional parts warehouse in Shanghai, China now generates up to 50 per cent of its power per month via roof-mounted solar panels and at Gaydon, UK, we have planning permission for the installation of 18.2 MW of ground-mounted solar panels.
- All UK freehold non-production sites now have upgraded metering and monitoring systems and a range of efficiency projects have been deployed across the portfolio, from control changes and lighting programmes to compressed air leaks and improved non-production factors.

In FY23/24, we continued to link our SBTi performance to our senior leadership bonus. The location-based measure ensures all electricity consumption is included, driving a greater focus on energy efficiency, cost resilience and transparency.

Future Initiatives

Our global renewable strategy aims to increase self-generated energy to over 35 per cent of our global consumption by 2030, reducing our reliance on local grid electricity and the purchase of grid-generated renewable energy. In support of this goal, in March 2024, we announced more than a quarter of our UK electricity will be generated from new onsite and near site renewable energy projects producing almost 120 MW of renewable energy at its peak. Work is now underway to deliver these projects, with the first three scheduled for completion by the end of 2026.



SUPPLY CHAIN AND PRODUCT EMISSIONS - SCOPE 3

Our scope 3 emissions are dominated by in-use emissions. In our baseline year, tailpipe (tank to wheel) emissions alone contributed 61.7 per cent to our total emissions. The electrification of our fleet is therefore, essential to the achievement of both our science-based targets and our net zero ambition. However, we must also ensure we do not ‘burden shift’ by moving emissions into our supply chain as we make this transition. Therefore to decarbonise our supply chain and product in-use emissions to net zero we must:

- Electrify our products to reduce direct product emissions to zero;
- Work with our value chain to decarbonise the supply of key materials through greater use of renewable energy and recycled materials.

PERFORMANCE AGAINST TARGETS

Our scope 3 ‘use of sold products’ emissions for FY23/24 were 246.4 gCO₂e per vehicle km. This was a reduction of 3.2 per cent compared to FY22/23 and a reduction of 3.7 per cent compared to the SBTi baseline.

Our scope 3 ‘combined use of sold products and purchased goods and services’ emissions for FY23/24 were 62.23 tCO₂e/vehicle. This was a 2.6 per cent reduction compared to FY22/23 and a reduction of 3.2 per cent compared to the SBTi baseline.

This meant that, in terms of absolute emissions, our scope 3 emissions were 26.9 MtCO₂e, a reduction of 17.9 per cent compared to our FY19/20 baseline. Despite the improvements shown at per vehicle level, this reduction was primarily due to lower production volumes compared to the baseline year.

Key Initiatives

The most significant improvement in our vehicles in use emissions was an increase in PHEV retail volume to 12.0 per cent, up from 10.0 per cent in FY22/23. Vehicle efficiency improvements also reduced the impact of our use of sold products by 2.5 per cent (1.2 tCO₂e/vehicle) during FY23/24. The most improved model was the Defender, which benefits from driveline disconnect that disengages drive to the front wheels when cruising to reduce frictional losses and improve fuel economy.

To enhance the accuracy of our supply chain reporting we initiated a process to allow our buyers to investigate current assumptions on the CO₂e of purchased goods. This process will be essential in robustly reflecting the impact and reduction initiatives implemented by our suppliers in future and resulted in a saving of 386 kgCO₂e/vehicle in our purchased goods and services impact.

Future Initiatives

As we move towards our electrified future, the impact of our supply chain will grow in relevance. In November 2023, the incorporation of sustainability into the sourcing of future products marked a significant enhancement to the Global Sourcing Process. This has empowered buyers to collect supplier-specific data at sourcing to enable supplier evaluation against CO₂e targets and negotiate binding contractual commitments to deliver lower carbon components, for example, through use of low-carbon energy or recycled materials.

To support this process, we will continue to invest in tools and data to help inform our sustainability journey. One example is the development of a detailed model to understand the environmental impacts associated with the Nickel Manganese Cobalt (NMC) battery cell supply chain. Through these insights, we will drive a greater understanding of potential decarbonisation routes to support future targets and sourcing.



CIRCULAR ECONOMY AND RESOURCE EFFICIENCY

The resources we use and consume play a pivotal role in the environmental impact of our supply chain, operations and products in use. Our pathway to net zero requires us to embrace the circular economy to help ensure that we reduce our impact whilst creating value and making our supply chain more resilient.

In the last 12 months, we have developed a circular economy strategy based on a single key principle - the decoupling of value creation from resource use. Our world currently depends on the consumption of virgin natural resources to generate value. If we are to meet our net zero ambition, we must change that dynamic primarily through three mission statements:

- **Circular resources** - we must act as a responsible user of resources by maximising reuse, replenishment and recycling.
- **Circular products and services** - we must provide timeless modern luxury through enhanced product utility and longevity.
- **Circular enablers** - we must create circular value through systemic collaboration, innovation and partnerships.

The following sections outline our initiatives in each of these areas in FY23/24.

Circular Resources

To ensure we act as a responsible user of resources we have set specific long-term goals to drive an increase in the quantity of recycled content in our products; to reduce waste to landfill and to energy recovery; and reduce our consumption of water per vehicle produced.

Materials - at least double and aim to treble recycled content in new products from 2028.

Waste - achieve zero waste to landfill and increase non-metallic waste sent for recycling/reuse to 80 per cent by FY29/30.

Water - reduce our water consumption per vehicle produced by a third by FY29/30, compared to FY19/20 levels.

Circular Products and Services

We intend to increase the share of products and services which contribute to our circular economy goals by growing our capability to reuse parts and vehicles. This means growing our lease and subscription offers to establish a 'serial usership' model, which supports the creation and retention of the value that is inherent in our products.

We already offer service-based ownership models such as 'Pivotal' and 'The OUT'. Pivotal provides customers with an all-inclusive, fully flexible service accessing our vehicles every six months. The OUT is a premium car rental product for Londoners, powered by us. In 2021, we launched JLR RENT, which now operates the largest publicly accessible fleet of JLR vehicles in the world, available through retailer networks in 30 European markets.

The transition from the traditional, linear "make and sell" business model to a more sustainable, circular mobility model will ensure we retain a high degree of control over the resources embedded in our products.

As part of our *Reimagine* strategy, we are committed to electrifying our product range, which will result in a growing number of batteries on the market. Reusing vehicle batteries will create new circular economy business models for us in energy storage and beyond. We have collaborated with Wykes Engineering Ltd, a leader in the renewable energy sector, to develop one of the largest energy storage systems in the UK, to harness solar and wind power using second-life Jaguar I-PACE batteries.

Circular Enablers

We are engaging with partners across the value chain to learn, collaborate and innovate to support the delivery of circular resources, products and services. These enablers rely on a strong supplier base and key innovative partners with a common vision to create systems where value is distributed along the product lifecycle. The enablers include: the setting up of a circularity hub; driving circularity improvements throughout the entire supply chain via our Circular Supply Chain department; and meet-up events to inspire and mobilise our sustainability innovation ecosystem, by driving circular solutions through systemic value chain collaboration.



NATURE AND BIODIVERSITY

Nature and climate crises are inextricably linked¹, and research shows we have already crossed at least six of the nine planetary boundaries². Nature loss and biodiversity decline pose a strategic risk management issue to businesses in the next decade³.

Harmonisation of Nature Frameworks

In September 2023, the Taskforce for Nature-related Financial Disclosures (TNFD) launched its inaugural framework for companies to identify, assess, manage and disclose their nature related impacts, dependencies, risks and opportunities. We share the mission and vision of the TNFD and are a member of the TNFD Forum, building knowledge and awareness of new approaches.

Policy and Strategy

Nature and biodiversity form an important part of our sustainability strategy. We are developing a new policy to set out our commitments to counteract nature and biodiversity loss. Alongside this, we are developing our strategic approach to consider our material impacts, dependencies, risks and opportunities for nature and biodiversity across our direct operations, supply chain and wider value chain.

We have undertaken an initial sector level screen of impacts and dependencies on biodiversity and ecosystem services in our value chain from which we plan to create science-informed targets for our material impacts and dependencies. We aim to take priority actions for high-impact activities and commodities in our value chain, to reduce our impact on nature. This will include short- and long-term actions in alignment with the Science Based Targets Network (SBTN) framework.

Biodiversity at our Facilities

The Electric Propulsion Manufacturing Centre (EPMC) at Wolverhampton, UK is managing existing habitats around the site and within the adjacent Clewley Coppice woodland to support important species such as badgers, field mice and water voles.

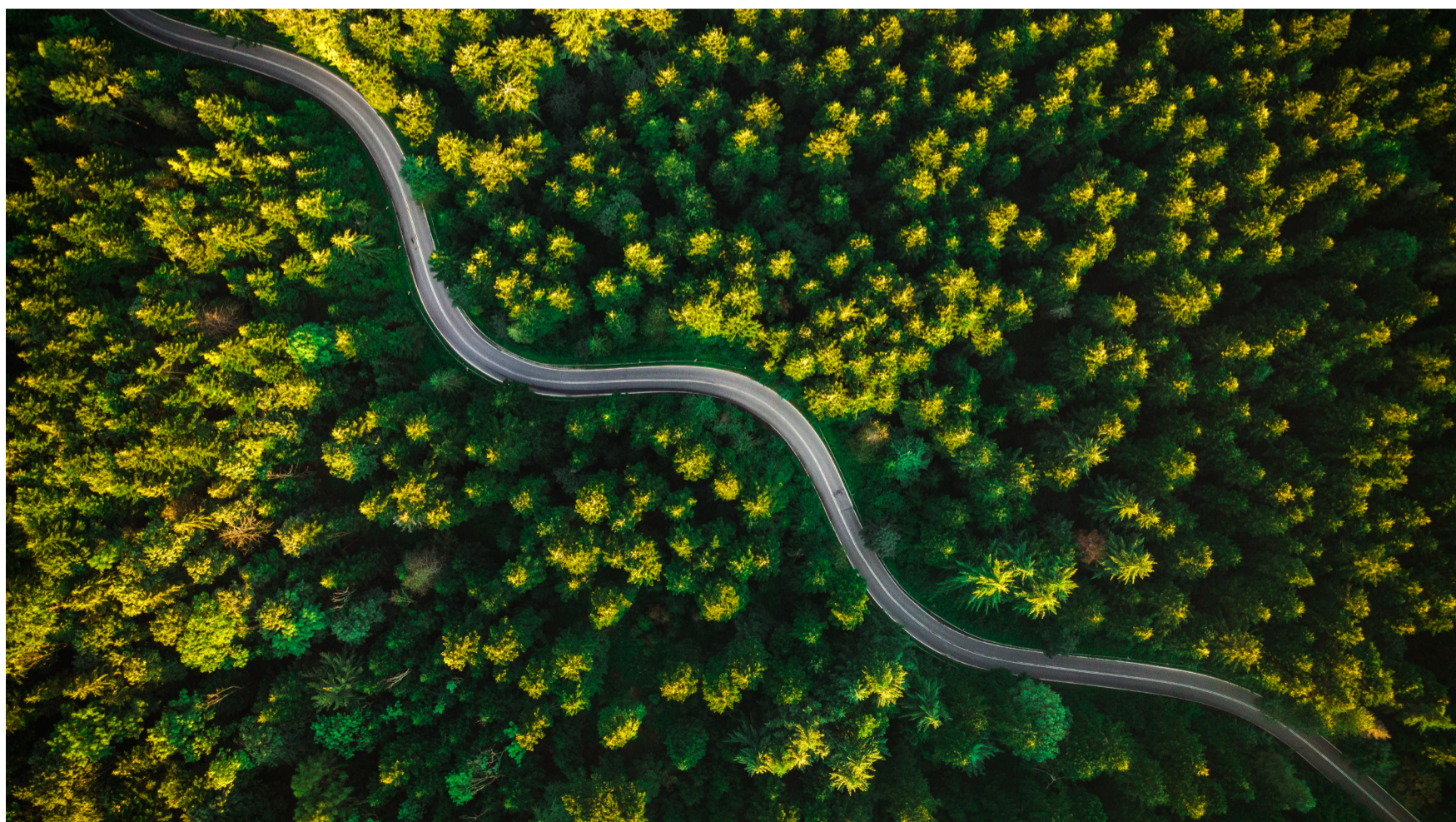
In Slovakia, our Nitra facility has a renewed agreement with Constantine the Philosopher University to continue biodiversity monitoring. The monitoring has shown that as native habitats have recovered, there has been a natural reintroduction of many native species of birds, insects and small mammals.

In China, sustainable development practices at the Changshu facility support biodiversity-related initiatives to monitor plant and animal species, as well as a poster initiative to educate and raise awareness around protecting the environment.

¹Pörtner, H. O. et al. 2021

²Richardson et al. 2023

³World Economic Forum Global Risks Perception Survey 2023-24



INTRODUCTION TO ENGAGE FOR GOOD

As a global citizen, we recognise the importance of meeting the significant social and environmental challenges of our generation.

Our Engage for Good programme has evolved during FY23/24 to deliver on our mission to take care of the communities and environments in which we operate and to make a positive impact.

Our strategy aligns to four key focus areas: reducing inequalities, youth development, supporting the vulnerable, and nature and biodiversity. We support this citizenship activity through partnerships with NGOs, employee volunteering; vehicle supply and project funding.

Volunteering

Our volunteering programme encourages and enables colleagues across the UK and Ireland to contribute to the local community for up to 16 working hours per year. To support youth development, over 700 colleagues are science, technology, engineering and maths (STEM) ambassador volunteers. By placing people from industry in classrooms around the UK, we hope to inspire the next generation to consider careers in STEM.

Motorvate Programme, UK

Motorvate is a colleague-operated initiative, empowering colleagues to nominate a local charitable cause to receive financial support or a vehicle to support the organisation in achieving its charitable aims. Since 2020, the Motorvate scheme has donated over £100,000 to local organisations close to our manufacturing sites, making a positive impact in local communities.

REDUCING INEQUALITIES

Give Her a Crown, South Africa

Launched in 2020, #GiveHerACrown is a female empowerment platform that exists to make a difference in the fight against gender inequality and to promote female empowerment in South Africa. We have contributed over £40,000 to amplify awareness and education of this year's campaign.

Six artists each created a piece aligned with the theme of "Celebrating the exquisite details of women," resulting in a collection of bespoke creations, labelled the Crown Collection. Each piece portrays a story that aims not only to inspire but to encourage women to embrace their uniqueness and individuality. The Crown Collection has helped raise funds to begin a schools' education campaign that uses the arts to educate learners on issues of gender equality. In addition, we have established the Crown Bursary Fund, which has enabled deserving female creatives to work towards furthering their education in the sector.

YOUTH DEVELOPMENT

JLR Schools Partnership Programme, UK

Our programme delivers regular and sustained interventions to 40 schools across the UK, reaching 40,000 pupils annually. Schools are targeted across our local communities with a higher-than-average percentage of under-representation. This approach aims to raise the aspirations of young people - representative of the diversity of our communities - inspiring them to consider careers in STEM. An example includes educational sessions led by our colleagues including an introduction to Formula E led by our Jaguar TCS Racing team.

Sutton Trust, UK

We work with Sutton Trust to support their 'The Pathways to Engineering' programme, which helps children access higher education, soft skills training and engineering career opportunities. We provide on-site experiences of our facilities and opportunities for children to meet colleagues from across the business. As part of the relationship, we give students on The Pathways to Engineering programme a fast-track process to our early careers assessment centres.

The Royal Society, UK

To support the next generation of scientists, we, alongside Tata companies, have supported the Royal Society's prestigious University Research Fellowships (URF) scheme, which supports exceptional young scientists who have the potential to become leaders in their chosen fields. The Tata partnership with the Royal Society is part of a global university collaboration programme by Tata companies for strategic outreach to academia across the world. Since 2016, Tata companies have supported financially via a £5.6 million fund to establish nine new Research Fellows in the physical sciences and engineering over the next ten years.

The Amos Bursary, UK

This year, we have partnered with The Amos Bursary to support young students of African Caribbean descent from Year 12, for up to five years whilst they are in higher education. As part of this programme, we will offer mentoring to support students when thinking about their aspirations and career paths.

Toré Institute, Brazil

We have developed an agroforestry educational programme in partnership with the Toré Institute, in a public school local to our Itatiaia manufacturing plant, to teach children about sustainability. The educational project teaches reforestation and composting, and gives children the opportunity to plant and grow their own food. As a continuation of this programme, since launch last year we have restored one hectare of land close to the factory.

JLR Hope School, China

We have closely supported a school in Zhaotong, China since 2014 when a devastating earthquake severely damaged the school building. JLR China donated over £550,000 to support rebuilding the school, following which it was named JLR Hope School. For the past nine years we have continuously called on the strengths of our colleagues, clients, retailers, media and the wider public in an effort to improve the facilities of JLR Hope School so that children may continue their education.



SUPPORTING THE VULNERABLE

British Red Cross and International Federation of the Red Cross

Our long-standing partnership with the British Red Cross and the International Federation of the Red Cross (IFRC) was first established in 1954. Our work strengthens risk reduction and developing emergency response mechanisms, helping reduce disaster and humanitarian risks for the most vulnerable areas.

Across the globe, people are feeling the effects of different types of disasters and emergencies, including those caused by climate change. Extreme weather events are on the rise, and heatwaves, droughts, floods, and storms can have a devastating impact on people’s lives. Through our partnership with the Red Cross, we aim to support those who find themselves in crisis, no matter who they are, or where they are.

We have supported Community Resilience Teams (CRT) in New South Wales, Australia, to train local government and community agency members in disaster preparedness. In Nepal, we have reached households with resources on how to prepare and adapt for disasters and climate change, with a special focus to engage young people. In Italy, we have supported the creation of integrated urban disaster preparedness and response plans. In addition, we have supported the training of staff at Swiss Disaster Dog Association (REDOG), increasing their skills in missing buried person searches in Switzerland during times of crisis.

We are an honorary partner of the Disaster Relief Alliance (DRA), whose contributions help with global disaster preparedness, as well as responding quickly to emergencies across the globe. Over the last year we have provided over £100,000 to support disasters and emergencies including the devastation of earthquakes in Türkiye (Turkey), Syria and Morocco. In the UK, we have supported rescue and relief efforts for those facing weather-related incidents.

Journey for Vision Programme, China

In partnership with the Soong Ching Ling Foundation, the Journey for Vision programme is dedicated to providing disadvantaged children in remote rural regions of China with free ophthalmology treatment.

In August 2023, the Journey for Vision Programme started a new journey in Chifeng, Inner Mongolia Autonomous Region. In this region the programme has donated ophthalmic medical equipment to local hospitals and has provided ophthalmic training to junior doctors. Since expanding to Inner Mongolia, the programme has benefitted over 30,000 young people receiving free vision screening, with a total donation of over £265,000.

Kingsley Holgate Foundation – Afrika Odyssey Expedition, Africa

The 41st Kingsley Holgate geographic and humanitarian expedition is a legacy journey-of-purpose with a theme of ‘conservation, culture and community’, created in partnership with the conservation charity African Parks, Afrika Odyssey.

We have supported this initiative with funds over £165,000 in addition to vehicle support. Estimated to take 18 months, this expedition will document ancient indigenous cultures, traditions and historic places of interest and facilitate the malaria prevention work of the foundation that has spanned 30 years.



NATURE AND BIODIVERSITY

Tusk, Africa

Defender has been a partner of wildlife conservation charity Tusk for over 15 years. We have supported Tusk’s mission to amplify the impact of progressive conservation initiatives across Africa by providing funding of £100,000 across last year, together with vehicle support. Our partnership has also enabled Tusk to shine a much-needed spotlight on the unsung heroes of African wildlife conservation and support their extraordinary work through the Tusk Conservation Awards.

ONÇAFARI, Brazil

We have partnered with charity organisation, ONÇAFARI to monitor the fauna that inhabits Itatiaia National Park, the oldest park in Brazil, close to where our manufacturing plant is located. Through correct management it is possible to promote the balance between humanity and environmental conservation, in turn contributing to socioeconomic development through ecotourism. To date, our conservation programme has installed cameras inside the Atlantic Forest Biome which will assist the government to monitor species within the park and enhance the management support.



INTRODUCTION TO RESPONSIBLE BUSINESS

The Responsible Business pillar forms the foundation of our sustainability strategy from which we aspire to achieve positive outcomes for the planet and its people. It is about getting the basics right and ensuring that what we do as a business is done ethically and with integrity.

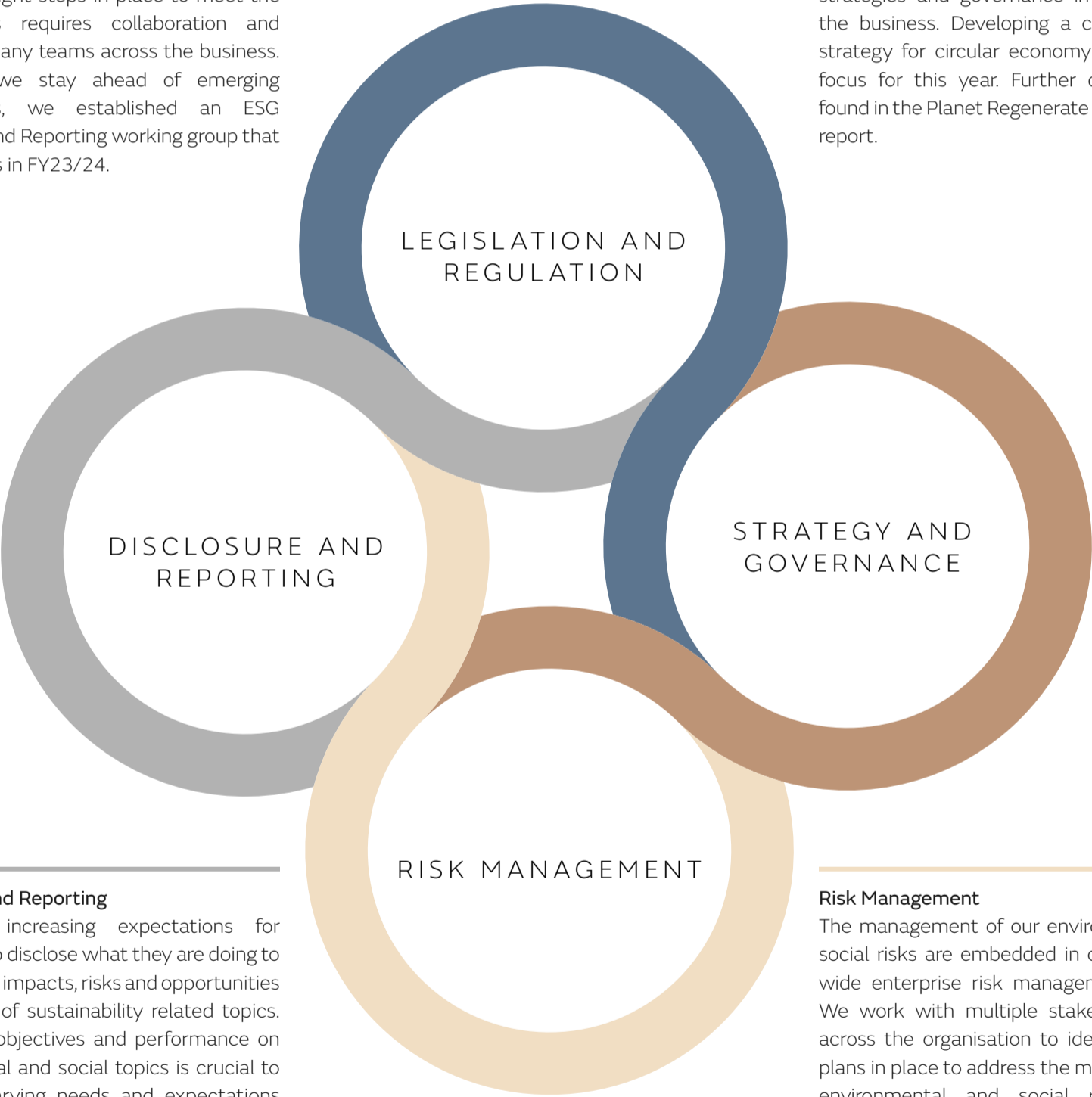
Our work on responsible business focuses on four main areas of activity: legislation and regulation, strategy and governance, risk management, and disclosure and reporting.

Legislation and Regulation

The legislation and regulation of environmental, social and governance topics is a rapidly evolving space. Ensuring that we are aware of relevant legislation and are putting the right steps in place to meet the requirements requires collaboration and input from many teams across the business. To ensure we stay ahead of emerging requirements, we established an ESG Legislation and Reporting working group that met 12 times in FY23/24.

Strategy and Governance

There are high expectations from our stakeholders on what we do in relation to sustainability. To meet those expectations, it is crucial that we have the right sustainability strategies and governance in place across the business. Developing a company-wide strategy for circular economy was a major focus for this year. Further detail can be found in the Planet Regenerate section of this report.



Disclosure and Reporting

There are increasing expectations for companies to disclose what they are doing to manage their impacts, risks and opportunities on a variety of sustainability related topics. Sharing our objectives and performance on environmental and social topics is crucial to meet the varying needs and expectations of our different stakeholders. As well as the information found in this report and on our website, this year we were pleased to maintain our 'Low Risk' rating from ESG ratings provider Morningstar Sustainalytics.

Risk Management

The management of our environmental and social risks are embedded in our company-wide enterprise risk management process. We work with multiple stakeholders from across the organisation to identify and put plans in place to address the most significant environmental and social risks to our business. We have also been working hard to incorporate the risks identified in response to UK regulation on climate related financial disclosure into the business and you can find more information about this on pages 44-47.

HEALTH, SAFETY AND WELLBEING

Safety

We continue to work towards our ambition to ensure a workplace where Zero Harm can be realised and maintained. Consistent delivery against our three pillars of safety (Safe Place, Safe Systems and Safe People) has led to consistent safety performance, as measured by the Zero Harm Metric.

The Zero Harm Metric takes into account all work-related incidents where an injury has occurred. Overall, the metric has been stable over the past year, following several years of decline. Improvements have been made in the internal reporting and data analysis structure over the last 12 months, which has led to greater ability to analyse trends in the data. The majority of accidents reported (~90 per cent) are cuts, bruises or sprains/strains, and have low harm potential. Lost time incidents continue to decline, showing an improving trend over the past year.

Our safety management system continues to be refined and improved to provide an effective framework for safety organisation. Following three years of monitoring visits, the Safety Management System was re-certified to the ISO45001 standard in March 2023, demonstrating our ongoing commitment to achieving the highest standards of health, safety and wellbeing to our colleagues, partners and clients.

Health and Wellbeing

We plan to advance wellbeing activity building on the work of the last five years. We are working to become an anchor organisation, with the goal of not only improving the health and wellbeing of our colleagues, but those of our supply chain, and the communities we are part of across the globe.

We continue to offer our colleagues access to a range of services to help them look after their wellbeing. These services include mental health, nutrition, fitness, addiction, and financial information and support.

Creating a global standard of wellbeing will allow us to create a more consistent approach across all our markets. This will provide greater clarity on local services, identify key areas of need, and identify the priority central wellbeing activities. To help drive improvement across all our sites and regions, we are introducing internal accreditation via a five-star rating. This will help us understand the level of maturity of wellbeing in each location and drive continuous improvement.



DIVERSITY, EQUITY AND INCLUSION

We believe we must reflect the diversity of the world in which our colleagues and clients live so that we can truly thrive and create a culture where our people feel supported equitably, can be their authentic selves, and allow fresh ideas, challenges and opinions to be heard.

To do this we are taking action to make tangible impact, measured against three internal ambitions:

Ambition 1: Globally, 30 per cent of all senior leaders to be female, by 2026.
FY23/24 performance is 18 per cent.

Ambition 2: In the UK, 15 per cent of all senior leaders to be from a Black, Asian or Mixed Ethnicity background, by 2026.
FY23/24 performance is 7 per cent.

Ambition 3: Globally, for our Inclusion Index to reach over 80 by 2026
FY23/24 performance is 80.
(This asks colleagues to rate the statement in our annual employee engagement survey “I would recommend JLR as an inclusive employer”.)

Our Global Reach

Our global Diversity, Equity and Inclusion (D,E&I) policy highlights our zero-tolerance approach to bullying, harassment, and other negative behaviours. In FY24/25 we will be focusing on a digital learning roll out across all our regions outside the UK.

Since their appointment in 2022, our two Diversity, Equity and Inclusion Board co-sponsors, Barbara Bergmeier and François Dossa, have been determined to continue our progress and to collaborate to make an environment where we all feel proud to work and ensure diversity, equity and inclusion is represented at the highest levels of our business. This year, they have both been taking part in reverse mentoring to further their understanding of different characteristics; supported by the Kaleidoscope Trust; they have talked on the Rugby World Cup panel with our Defender Trailblazers; held many listening circles; and attended multiple network events. They are supported by 13 global colleague network groups, ensuring that colleagues have spaces to share their lived experiences, and learn from one another’s experiences. These have been instrumental in showcasing the power of allyship within our organisation.

In September 2023, we hosted our first ever Diversity, Equity and Inclusion Summit, welcoming participants in person, and online in 26 countries with 17 global inclusion hubs. This event was a celebration of the progress made to date in changing our culture, and also introduced the term ‘equity’ to our business. This has cemented our ambition to ensure that all colleagues are supported.

External Partnerships

We continue to partner with the Business Disability Forum, working with them to inform our disability strategy. This will continue to be a key focus in FY24/25. We have also partnered with The Amos Bursary in supporting the sponsoring of young students of African Caribbean descent from Year 12, for up to five years whilst they are in higher education. As part of this we provide mentoring to help students think about what career paths they may want to pursue and support their ambitions.

We partner with Ipsos Karian and Box, who conduct our yearly DE&I reviews, enabling us to monitor our progress and continue to make changes so that we are the inclusive employer of choice.

Pay Gap Report - Gender and Ethnicity

In FY23/24, we continued to improve our [pay gap reporting](#), breaking down the ethnicity split further in our second ethnicity report. We also released our first gender pay gap report for Ireland. This shows our commitment to being more transparent both internally and externally, and ensures we use data to drive our actions and decision-making.

We are committed to fostering a more diverse, equitable, inclusive and unified culture that is representative of our colleagues, our clients, and the society in which we live.



HUMAN CAPITAL DEVELOPMENT

Our journey to *Reimagine* is a constant, but our industry continues to evolve rapidly, and our technological landscape continues to push the boundaries of what is possible. This means the skills and capabilities of our workforce remain at the forefront of our People Strategy.

Talent Upskilling for the Future

Building on the momentum from FY22/23, we continue to evolve the skills of our workforce through upskilling programmes that build critical capabilities internally. Our engineers continue their development journey through attendance at co-created and bespoke courses developed in partnership with a local university, and the establishment of a partnership to deliver Electrification Safety upskilling. Furthermore, our Data Fellowship has seen learners engage in practical application of data practices driving improvements into their everyday work.

Transforming our ways of working to deliver modern luxury experiences for our House of Brands has been a key focus. A predicted 3,000 colleagues will join our Digital Accelerator development journey in 2024, developing critical skills in end-to-end client engagement and sales.

Developing Leaders

We are also shaping and embedding a culture change, with emphasis on colleague wellbeing, support and engagement. In FY23/24 we saw over 2,800 leaders engage in our *Reimagine* Modern Leadership programmes, helping to develop the mindset and behaviours needed to deliver leadership excellence. We also saw over 90 per cent of our line managers complete training to help improve their Mental Health Awareness in the last 12 months and over 500 managers and leaders enrolled on our Manager Essentials programme, with new joiners being added every month.

Our Team Improvement Circle programme, which empowers employees to lead and deliver improvement initiatives, has connected over 2,500 colleagues across our global business. These initiatives, along with other critical People Strategy components, have led to a sustained improvement in colleague engagement and experience.

Early Careers

Early Careers and investment in apprentices, undergraduates and graduates continues to form a key foundation to our talent pool and a critical enabler of building skills for the future. Through hiring drives, we expect to see over 900 people join us in the UK and approximately 300 globally in 2024, a 20 per cent increase on the previous year and a record intake for the company.

Our programmes have received external recognition, with JLR ranked 59th by graduates in the Times Top 100 Graduate Employers and 77th in Rate My Apprenticeship by apprentices for the first time. We have improved our ranking from 98th to 39th out of over 2,000 employers, in the Top 100 Apprenticeship Employers awarded by the Department of Education and have been named the top employer in the automotive sector by The Engineer.



DATA PRIVACY AND INFORMATION SECURITY

Data Privacy

The JLR Code of Conduct (the Code) is applicable to all personnel working for and on behalf of JLR globally. The requirements of the Code are further supported by a corporate policy on Privacy and Personal Data Protection.

We have deployed a comprehensive Privacy Compliance Programme, including a Privacy by Design and Default process requiring all key processes handling personal information to undergo a privacy risk assessment designed to meet our corporate and legal commitments for the protection of private and personal data, and to meet our modern luxury promise to our clients and employees.

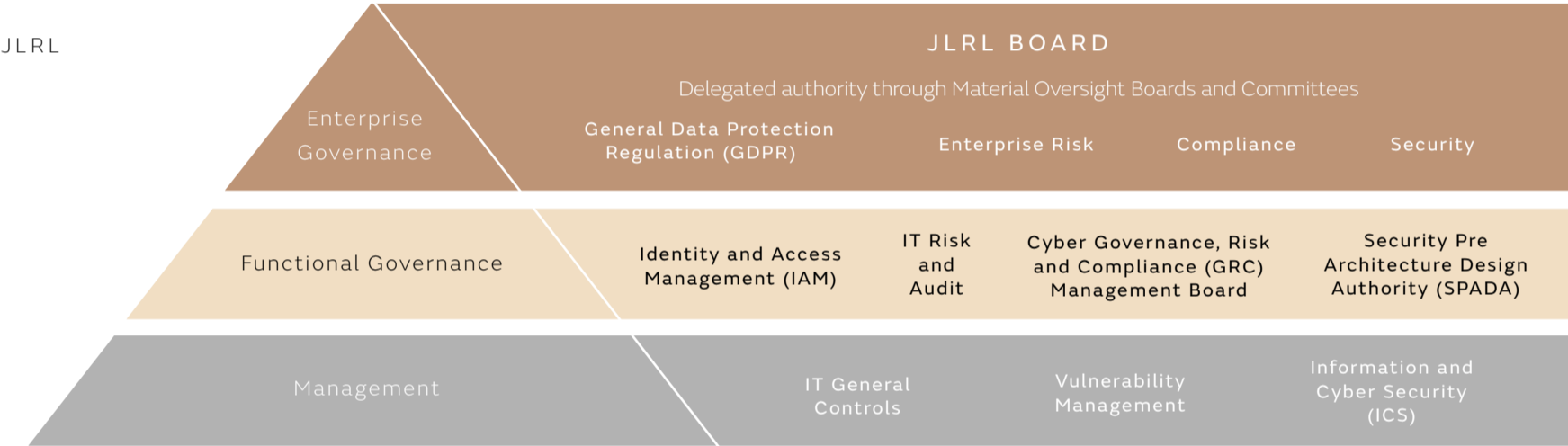
Incidents of non-compliance are reported through confidential reporting and case management channels and are subject to regular KPI monitoring and to our continuous improvement and non-recurrence model.

Information Security

Information Security is governed within our overall governance framework. The governance model used is based on the three lines of defence with regular reporting to the Company's Board of Directors, the JLRL Board and other enterprise supervisory committees.

Tata / The Company

Supervisory Board – The Company
Audit, Risk, Compliance, etc



STRATEGIC MANAGEMENT OF INFORMATION SECURITY



The Information Security Compliance Framework is tailored to meet our requirements through regulatory, statutory and enterprise compliance requirements. Policy requirements are communicated throughout the Group with baseline information security and compliance requirements.

We manage security strategically through a multi-year programme to protect the confidentiality, integrity and availability of information assets to an acceptable level of risk. This is validated internally and externally through audits and independent assessments of our strategy, operating

model and delivery plan for continuous improvement on maturity of security disciplines. In February 2023, we achieved UNECE R155 Compliance certification from Vehicle Conduct Authority.

RESPONSIBLE SUPPLY CHAIN

As part of our *Reimagine* strategy, we aim to achieve carbon net zero emissions across our value chain, including our suppliers, by 2039, with a CO₂e reduction of 54 per cent, per vehicle, by 2030. At the same time, we enforce a strict code of conduct on all our direct suppliers, in areas including human rights and working conditions, material sourcing, and ethical behaviours.

Advancing Digitalisation for a More Sustainable Supply Chain

Our Industrial Operations Division has continued to employ digital risk sensing tools and analytics in its risk operating model, to provide internal and external stakeholders with timely, relevant and actionable insights, enabling our transition to systemic resilience and proactive risk management.

In collaboration with our supplier partners, we are also committed to the use of the latest digital technologies to map and utilise multi-tier traceability data, as the foundation of a sustainable, ethical and resilient value chain. By the end of FY23/24, we will have mapped initial sub-tier data for the majority of direct production Tier 1 suppliers, providing the required insights to proactively identify potential risks, so that we can work with impacted suppliers to help to resolve.

Enhancing Our Sustainability Insights

In our FY22/23 Annual Report, we highlighted that CO₂e forecasting, and analysis would be embedded into our decision-making processes as a key priority. We have put this into action, by successfully embedding CO₂e targets into our sourcing process. Utilising commodity level CO₂e targets, derived from our scope 3 science-based targets, we have been able to identify high priority sourcing projects in relation to CO₂e. This has provided our procurement community with the data and knowledge to secure decarbonisation commitments from prospective suppliers, with a CO₂e saving of two tonnes per vehicle on our next-generation electric platforms.

During FY24/25, we will continue to collaborate with our suppliers to accelerate the decarbonisation of sourced components, identify ways of delivering high quality CO₂e data more efficiently, and ensure that we continue to optimise the volume and quality of primary CO₂e data that we receive from our suppliers.

We also continue in our strategic partnership with the [Drive Sustainability \(DS\) initiative](#), facilitated by CSR Europe, collaborating with other vehicle manufacturers on sustainability topics, within anti-trust parameters. Through this forum, partners are able to develop consistent, agreed tools, methodologies and approaches that industry Tier 1 suppliers can utilise, and cascade through their respective supply chains.

Rigorous Supplier Assessments

The Sustainability Assessment Questionnaire (SAQ) now has defined requirements that need to be met at all gateways of the sourcing process. The SAQ is an industry-wide assessment developed through the DS initiative, which provides a high-level score of the supplier's sustainability management, relating to: company management, human rights and working conditions, health and safety, business ethics, environment, responsible supply chain management, and responsible sourcing of raw materials.

We continue to onboard in scope suppliers to the Supplier Assurance platform, with the responses to the SAQ being validated. Where gaps are identified, the supplier is provided with recommendations to improve. All active suppliers are required to update their SAQ on at least an annual basis.

For incumbent suppliers, we also have an annual compliance assessment programme on human rights and working conditions, conflict minerals and

environmental impact, and an annual supplier social audit programme.

Suppliers selected for these audits are required to support and to also engage in any remediation activity identified through the audits. Suppliers are monitored until all remediation actions are completed satisfactorily, with appropriate evidence.

Our Use of Conflict Minerals

"Conflict minerals" refers to columbite-tantalite (coltan), cassiterite, wolframite, gold, and the derivatives tantalum, tin, and tungsten (3TGs). We further recognise that the procurement of minerals including cobalt may be subject to the same concerns as 3TGs.

We support industry-wide efforts to identify, reduce, and hopefully eliminate the use of conflict minerals originating from the DRC and adjoining countries. To further this goal, we use the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI), to gather and exchange supply chain information within legal parameters.

We are committed to complying with any applicable requirements and have implemented a due diligence process that aligns to the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), to meet our obligations under the legislation.

Our suppliers are expected to establish their own responsible minerals policies, due diligence frameworks, and management systems that align with RMI and OECD guidance.

We further recognise that the procurement of minerals including Cobalt and Mica may be subject to the same concerns as 3TGs. We therefore extended our programme to request completion of the Extended Minerals Reporting Template (EMRT) also developed by the Responsible Minerals Initiative (RMI) to identify and collect due diligence information in our cobalt and mica supply chains.

This further supports our due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Battery Traceability Proof of Concept (POC)

In line with our Responsible Business pillar, we have undertaken a supply chain due diligence programme, focused on engaging participants in the nickel supply chain for our PHEV battery packs. Guided by the requirements of the EU Regulation Concerning Batteries and Waste Batteries, we have partnered with industry leading supply chain due diligence experts to map the nickel supply chain in question to source, assess the ESG credentials of identified suppliers and collect the Greenhouse Gas (GHG) contribution of each lifecycle phase. Upon completion of this programme, we have completed or received nine audits, identifying all actors in the nickel supply chain for the product in scope. Alongside this, Corrective Action Plans (CAPs) have been agreed with all audited suppliers, containing recommended actions to improve performance against OECD Due Diligence Guidance and general ESG parameters.

As we enter FY24/25, our priorities will be to ensure that all CAPs are completed by suppliers in a timely manner and scale the supply due diligence programme to cover our lithium, cobalt and graphite supply chains. Alongside this, we will continue to engage with its wider supply chain to continue and drive ESG performance standards, ensuring compliance with the requirements of EU Regulation Concerning Batteries and Waste Batteries is achieved.

Minimising Supplier Environmental Impacts

With over 2,000 supplier partners, we believe it is essential to develop the supply of low carbon materials and processes within our existing network.

On an annual basis, we select a number of our direct, indirect procurement and aftermarket suppliers to complete one or more CDP questionnaires to assess their environmental impacts.

From the responses received, we are able to determine those suppliers with the highest CO₂e footprints, to engage with them to understand their CO₂e reduction roadmaps.

In FY23/24, we engaged with a number of our production, indirect and aftermarket suppliers to participate in this programme, and achieved the following response rates: climate change 82 per cent, water security 64 per cent and forest 84 per cent. The average response rate was 77 per cent which was an increase of 1 per cent compared to FY22/23. For suppliers identified as high risk in relation to water scarce global locations, we received a response rate of 95 per cent against a target of 90 per cent.

In September 2022, we invited our global supplier network to commit to sustainability targets approved by the Science Based Targets initiative (SBTi). All Tier 1 suppliers were asked to set a decarbonisation pathway, report transparently and demonstrate progress towards their targets. Throughout FY23/24, we have tracked the uptake of SBT amongst our high priority suppliers, with 218 in scope. During this time, we have seen 21 suppliers (+9.6 per cent) set and publish targets with SBTi and 8 suppliers (+3.6 per cent) commit to publishing targets within the next two years.

At the start of FY23/24, we set a target of 50 per cent (109) of our high priority suppliers to have set or committed to setting science-based targets by the end of FY23/24, against a baseline of 40 per cent (86) at the start of FY23/24. We fell short of this target by a total of 15 (6.4 per cent).

The EU Carbon Border Adjustment Mechanism (CBAM) is one element of the EU's "fit for 55" package, brought in to reduce carbon emissions within the EU. The legislation entered a transitional phase during October 2023. From 2026, the EU will levy a penalty based on the CO₂e of goods that purchased that are manufactured outside the EU and imported into the EU market. For us today, this includes certain steel, urea and aluminium products that are stipulated in the regulation.

Since February 2024, we have fulfilled all our responsibilities with regard to CBAM, by submitting the required reports, covering all EU entities. We also shared educational materials with those suppliers currently in scope of the regulation, to ensure they have a clear understanding of their responsibilities and are able to submit emissions data in line with the methodology.

Our Supplier Code of Conduct

Our Supplier Sustainability Web Guide outlines our requirements for suppliers to meet, across business ethics, environment, human rights and working conditions, health and safety, and responsible supply chain management. We launched the JLR Supplier Code of Conduct in August 2023 to our supply base, providing greater transparency on our requirements. It is available through our [corporate website](#). As part of the launch, we hosted two webinar sessions for our suppliers.

There are additional requirements relating to sustainability data provision, quality certifications such as ISO 14001, export controls and sanctions, carbon offsetting, and social audits, captured in the web guide which also outlines our key corporate policies, such as our Code of Conduct, Anti-Bribery and Corruption, Gifts and Hospitality, and Human Rights. These policies can be found on our [corporate website](#).

Corrective Actions

Any corrective actions placed on suppliers are tracked and oblige the supplier to provide for review all necessary evidence of their completion. Through FY23/24, 100 corrective actions were captured and monitored to completion.



COMPLIANCE AND ETHICS

We are committed to conducting business fairly and honestly. We expect the highest level of ethical behaviour when interacting with clients, retailers, suppliers, government agencies, communities and each other.

Code of Conduct

Directors and colleagues and others working for and on behalf of JLR are required to comply with the JLR Code of Conduct, which is intended to guide them in putting the Group's ethical principles into practice. All direct colleagues are required to sign up to the Code of Conduct on joining the business.

The Code of Conduct is supported by a suite of corporate policies that give additional guidance on specific compliance and ethics topics. The Code of Conduct and a selection of our corporate policies can be found at our [corporate website](#).

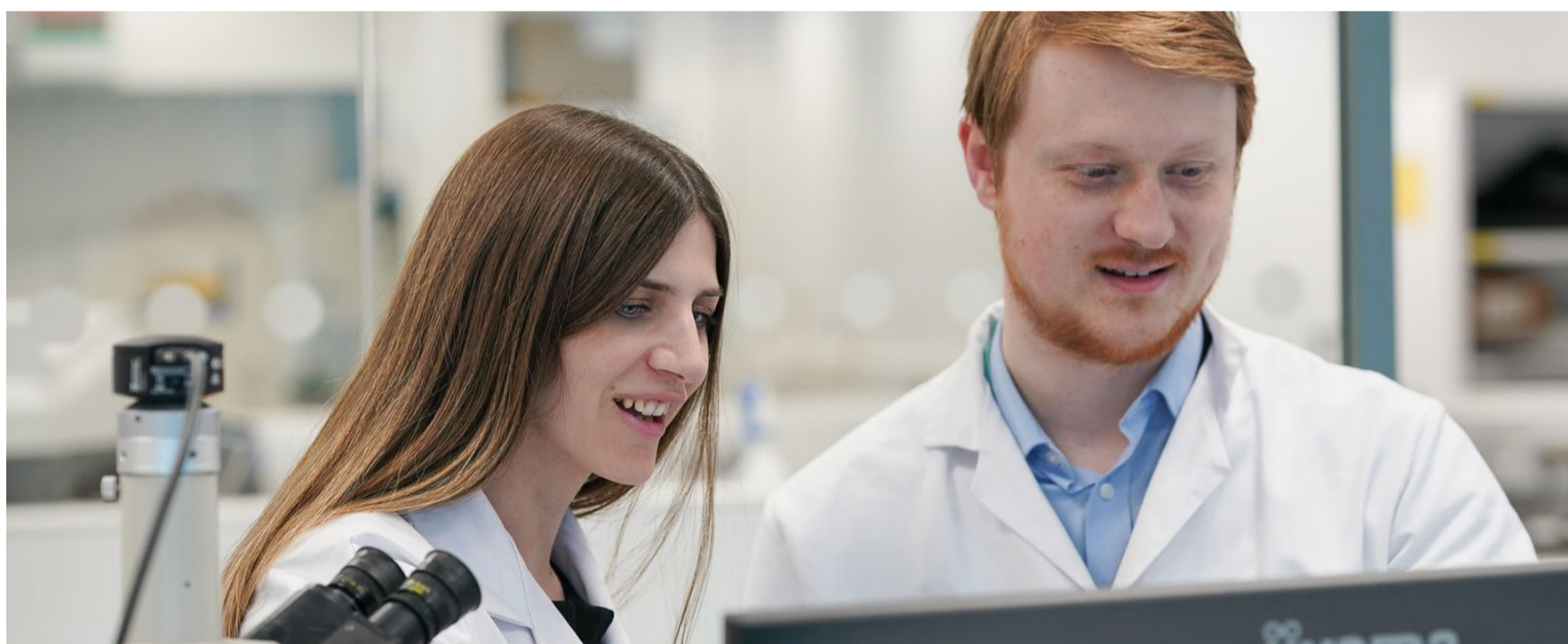
Human Rights and Supply Chain Working Conditions

We expect all our suppliers to have the highest ethical standards in human rights and working conditions, both within their operations and their supply chain. Our suppliers are required to meet the principles outlined in our [Supplier Code of Conduct and Corporate Policy on Human Rights](#), as part of our global terms and conditions.

We identify high risk suppliers, based on their location and the commodity they produce, and in their responses to our slavery and human trafficking questionnaire. A high-level summary is published within the JLR Slavery and Human Trafficking Statement on our [corporate website](#).

Our supply chain mapping methodology is informed by the latest global regulations, supplier due diligence processes within our supply chain, and supplier risk scanning in relation to human rights violations.

We also engage with our top suppliers in an enhanced self-assessment, which includes a module on social impact, designed to assess the supplier's quality management systems, beyond the SAQ.



CERTIFICATIONS

EMS policy, implementation and certification

Environmental Management is an integral part of our corporate strategy. We were one of the first automotive companies to receive certification, in 1998. ISO 14001 is the principal management system standard which specifies the requirements for the formulation and maintenance of an Environmental Management System. This helps the business to control environmental impacts, manage legal compliance and drive continual environmental improvements. The international standard also places emphasis on organisational leadership including how environmental factors are integrated into strategic planning. Environmental performance is a key supplier performance metric - ISO 14001 certification is a requirement for all manufacturing tier 1 suppliers.

IATF16949:2016 / ISO9001 certification

Our vehicle and propulsion system manufacturing plants and direct support locations are certified to IATF16949:2016 / ISO9001 including Solihull, Halewood, Castle Bromwich, BAC, EPMC, Oxford Road, Fen End, Gaydon, Whitley (UK), Nitra (Slovakia), Graz (Austria), Itatiaia (Brazil), Pune (India) and CJLR (China). We are among premium OEMs in Europe which certify their plants to IATF16949 as well as expecting the certification of its supply base. Annual certification audits are performed by an independent third party on behalf of ISO/IATF, with a main re-certification audit every three years.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE-RELATED FINANCIAL DISCLOSURES

This section sets out our climate-related financial disclosures in line with the UK regulation.

THEMATIC AREA	UK MANDATORY CLIMATE-RELATED FINANCIAL DISCLOSURES
Governance	<p>(a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.</p> <p>Management of climate-related risks and opportunities is embedded at the highest level of our company. The JLRL Board of Directors has ultimate responsibility for both risk management and sustainability matters, including those risks and opportunities related to climate change. However, the wider organisation is responsible for the proactive day-to-day management and control of those risks. The JLRL Board review key risks to monitor the progress of remediation actions, whilst the Risk Management Committee provides oversight of current and emerging risks at a detailed level that are reviewed against acceptable levels of exposure. Principal risks and exceptions are reported to the Audit Committee and the Board regularly to assist in the decision-making process and ensure adequate controls are in place to provide sufficient protection to the organisation. We are continually maturing our corporate governance structure in recognition of the urgency of climate action and in response to our increasing understanding of the impact of climate change on our business.</p>
Risk Management	<p>(b) a description of how the company identifies, assesses, and manages climate related risks and opportunities.</p> <p>Risks are uncertain events that could materially impact organisational objectives; both adversely and favourably. We recognise that risk is inherent in all business activities and must be balanced when assessing returns. Successful management of risk is therefore key to accomplishing our strategic objectives. JLR utilises an enterprise risk management (ERM) framework to identify, assess, manage and continually monitor and report on key risks that could affect our business.</p>
Risk Management	<p>(c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company.</p> <p>Climate risks throughout the business value chain are identified using our enterprise risk management (ERM) framework. The severity of a risk is determined by considering two factors: the likelihood of the risk materialising in a given timeframe and the potential impact(s) such as financial or reputational. A combination of these two factors provides an overall risk severity score. We applied this approach to our climate focused business-wide reviews to determine the materiality of risks and opportunities identified. Risks were categorised using the TCFD risk taxonomy of Transition risks (Reputation, Market, Technology, Policy and legal), Physical risks (Acute and Chronic) and Opportunities (Resource efficiency, Energy source, Products & services, Markets, Resilience).</p> <p>Risks were considered across our key regions (UK, EU, US and China) as well as within the supply chain. However, we note that as we continue to evolve our risk modelling, further analysis of our supply chain is required to perform a more detailed risk assessment. A short list of the five most material risks and opportunities was determined based on this scoring and further analysed under different climate scenarios. The climate risks are owned and monitored in terms of mitigation action and strategic response by cross functional risk owners through the ERM Governance.</p>
Strategy	<p>(d) a description of</p> <p>(i) the principal climate-related risks and opportunities arising in connection with the operations of the company, and</p> <p>(ii) the time periods by reference to which those risks and opportunities are assessed.</p> <p>A summary of our climate risk and opportunity analysis can be found in Table 1 on pages 46-47.</p> <p>We know physical and transition climate related risks and opportunities can manifest themselves to different proportions over a longer-term time horizon. We assessed the climate risk over the following time frames:</p> <ul style="list-style-type: none">• Short (1-2 years). Aligned to our risk management and financial planning processes• Medium (2025 – 2030). Aligned to our product cycle planning process and science-based target commitments• Long (2040+). Captures transition and physical risks and opportunities over the long term. Linked to organisational resilience and our long-term net zero goals. <p>(e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company.</p> <p>A summary of our climate risk and opportunity analysis including the potential business impacts and our strategic response can be found in Table 1 on pages 46-47.</p> <p>(f) an analysis of the resilience of the business model and strategy of the company, taking into consideration of different climate-related scenarios.</p> <p>Scenario analysis allows us to better understand the impact of climate change and how it could affect our company. Scenarios are not forecasts; they help to evaluate a range of hypothetical outcomes, considering a variety of plausible future states under a given limited set of assumptions. Scenario analysis is a critical tool for strategic and financial planning and risk management. We assessed our resilience out to 2050 under different external conditions. The insights from this work further strengthens the importance and relevance of our climate-related actions outlined in our Reimagine strategy. The pathway to reduce emissions may be gradual or may be abrupt and ambitious. Therefore, to test our strategic resilience to the risks identified, we used three different scenarios .</p> <ol style="list-style-type: none">1. Net zero 2050 – “The low carbon revolution” (NZ) Net zero 2050 is an ambitious scenario that limits global warming to 1.5°C by 2100 through stringent and immediately introduced climate policies and innovation, reaching net zero CO₂ emissions around 2050. It is linked to RCP2.6, involves more transition risks early on, but manages to limit physical risks to a minimum. Policy is implemented by regions across the globe and technology developed which drives the transition to electrification of transport and shift in mobility. Stakeholders have greater awareness and expectations of sustainability when making decisions. These factors drive away from ICE to electric vehicles and the materials required to manufacture them.2. Delayed transition (DT) Follows a path in which social, economic, and technological trends do not shift markedly from historical patterns but the world takes action to limit emission growth but fails to cut emissions in the short term and misses Paris goals resulting in >2°C warming by 2050, but lowered using carbon sequestration and storage (CSS). It is linked to RCP4.5, involves several physical risks, and transition risks after 2030.

Strategy	<p>3. <u>Current policies – “climate chaos” (BAU)</u></p> <p>Assumes that only currently implemented policies are preserved. World does not cut emissions and climate change accelerates causing 2.5°C of warming by 2050 and >4°C by 2100 bringing irreversible changes. It is linked to RCP8.5, involves little to no transition risks early on, but results in irreversible and globally disrupting physical risks. Physical risks are most prevalent under this scenario, with increased frequency of extreme weather events such as flooding and wildfires impacting operations and supply chains. There is little drive from policy and technology to further transport electrification.</p> <p>Multiple models were analysed consistent with the WBCSD climate scenario catalogue, a repository of scenarios and associated publicly available data for a range of variables. To provide sufficient trajectory and variable coverage across both physical and transition risks, NGFS, IEA and IPCC scenarios were used in this analysis.</p>
Metrics & Targets	<p>(g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and our performance against our target can be found on page 48.</p> <p>(h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.</p> <p>We have an ambition to achieve net zero across our value chain by 2039. To align with delivery of this commitment we have set interim targets aligned to a science-based approach to reduce our scope 1, 2 and 3 CO₂ emissions. Delivery of these targets will help reduce our exposure to our most significant climate related risks.</p> <p>Our science-based targets baseline assessments showed that our total annual emissions across scope 1, 2 and 3 were over 35 MtCO₂e for FY19/20. Over 94 per cent of these emissions are now covered by our science-based targets, significantly exceeding the minimum threshold set by the Science Based Targets initiative (SBTi) of 67 per cent. The calculation and reporting of these targeted emissions is in alignment with our SBTi Reporting Methodology Statement. By including the emissions generated by our supply chain within this commitment, we also ensure that we avoid any shift in burden from product use to our supply chain in future as we electrify our vehicles.</p> <p>We have built a robust strategy to deliver against our targets which has been integrated into our Refocus 2.0 programme. Delivery against targets for scope 1, 2 and 3 emissions has also been linked to the enterprise strategic bonus plan.</p> <p>Scope 1 and 2 emissions - we will drive energy consumption reduction across our sites and increase the use of onsite and offsite renewable electricity. This includes degasification; with the use of gas currently 49.2 per cent of our location-based scope 1 and 2 emissions.</p> <p>Scope 3 ‘use of sold products’ - by 2030, in addition to 100 per cent of Jaguar sales, we anticipate that at least 60 per cent of Range Rover, Defender and Discovery models sold will not have tailpipe emissions. This expansion in vehicles without tailpipe emissions, combined with reductions in the CO₂e intensity of grid electricity used in our products provides a pathway to a 60 per cent reduction in ‘use of sold products’ emissions, by 2030.</p>

Based on the results of our climate risk review and financial modelling, the most material risks and opportunity are shown in Table 1.

TABLE 1

RISK/OPPORTUNITY & CLASSIFICATION	TIME HORIZON S 1-2 YEARS M 2025-30 L 2040+	RISK MODELLED (SEE SCENARIO ANALYSIS SECTION ON PAGE 44)	POTENTIAL BUSINESS/ FINANCIAL IMPACT	BUSINESS STRATEGIC RESPONSE
Transition Risk Failure to manage risk associated with existing and emerging environmental regulations on vehicles. As a response to climate change, there is an increase in and tightening of tailpipe emission regulations all around the world. Our products must be compliant with all regulations and in the case of non-compliance, we may pay compliance costs.	S	Modelled the potential financial impacts based on stress testing potential vehicle emissions compliance costs using the three climate scenarios to perform analysis of the risks (NZ, DT & BAU).	An increase in regulations related to tailpipe emissions could result in increased compliance costs and restrictions on sales of traditional vehicles in particular markets. The results of the scenario analysis show the risk is greatest in the short term under all three scenarios, with the highest potential financial impact under NZ. Note: All vehicle tailpipe emissions compliance costs are assumed to be zero by 2036, aligned to our product electrification strategy.	<ul style="list-style-type: none"> Engage with regulators through industry bodies, and independently, to detect changes and implement ongoing product actions to mitigate the risk of regulatory change. Dynamic and accelerated risk modelling, with monetary values of compliance risk/benefit assigned to programmes to deliver the correct electrified product mix for the future. <i>Reimagine</i> electrification strategy- all nameplates will offer all-electric options, by 2030. Net zero strategy and interim science-based targets to reduce emissions across value chain.
Transition Risk Failure to manage risk associated with increased exposure to raw material and component shortages. JLR relies on manufactured products and the security of supply of raw materials for operating its business globally, specifically battery pack components for its electric vehicles.	M, L	Modelled the financial impacts which considers the potential change in the prices of key battery raw materials, driven by demand for electric vehicles under three climate scenarios (NZ, DT & BAU).	A change in the supply and demand of key raw materials and components, driven by increasing demand for electric vehicles as well as regulatory changes, could result in increased cost of materials and lead times in the manufacturing process. The results of the scenario analysis show the quickest potential financial impact (peaking at 2030) under a NZ scenario, and greatest potential financial impact in the DT scenario (2040). The analysis shows the least potential financial impact under a BAU scenario.	<ul style="list-style-type: none"> Strategic project to review future critical materials. Product Engineering ongoing evaluation of battery chemistry ratios and performance. Battery supply chain traceability project POC focus on Nickel supply chain (back to mine). Circularity projects - Innovate UK project RECOVAS (Recycling of EV Cells from Obsolete Vehicles At Scale) offers the potential for a new circular supply chain for electric vehicle batteries in the UK. Tata Agratas supply chain partner – to secure future battery value chain.
Transition Risk Failure to mitigate increased costs from carbon pricing and taxation schemes. Regulatory and governmental policy changes such as carbon pricing and taxation schemes may increase under different climate scenarios.	M	Modelled the potential financial impact from an increase in carbon pricing regulation under three climate scenarios (NZ, DT & BAU). Carbon pricing regulations include national regulations, carbon taxes, emission trading schemes and mechanisms such as Carbon Border Adjustment Mechanisms.	An increase in carbon pricing regulation could result in direct compliance costs and indirect increases in production costs passed on by suppliers. The results of the scenario analysis show the quickest potential financial impact (peaking at 2030) under a NZ scenario and least potential financial impact under BAU scenario.	<ul style="list-style-type: none"> Science-based targets implemented across the value chain - decarbonising sites, products & services - reducing our carbon footprint & helping mitigating exposure to carbon taxation. Working closely with our supplier partners to jointly develop low carbon options and new capabilities via creation of carbon reduction roadmaps and increased transparency.
Physical Risk Failure to mitigate impact of extreme weather events affecting direct operations and the supply chain. Climate change will increase the intensity and frequency of extreme weather events. JLR relies on its supply chain to provide manufacturing sites with vehicle components. Some suppliers are in regions that will face more intense extreme weather events under future climate scenarios.	L	Modelled the potential financial impact from increasing extreme weather events causing disruption to direct operations and the supply chain under three climate scenarios (NZ, DT & BAU).	An increase in the frequency of extreme weather events (e.g. storms, floods, heatwaves) could result in direct and indirect impacts to suppliers that increase production costs and lead times. An increase in extreme climate events such as flooding could result in damage to our assets and disruption of operations. The results of the scenario analysis shows under all three scenarios an increase in potential financial impact in the long term, as physical risks increase. This is greatest under a BAU scenario.	<ul style="list-style-type: none"> The creation of the Industrial Operations division (encompassing Procurement, Manufacturing and Supply Chain) has helped develop an effective risk management framework. Uses of digital risk sensing tools including climate risk assessment and monitoring: <ul style="list-style-type: none"> Supply chain mapping (multi-tier) for critical supplier and commodities. Improved response to climate events, supply chain rerouting & material fulfilment. Business continuity process, including trained incident management team and resilience forum. Insurance policy from property damage and business interruption. Evaluation of our material operations to identify critical climate adaptation measures. <p>Further detail can be found in the supplier risk management section.</p>

RISK/OPPORTUNITY & CLASSIFICATION	TIME HORIZON S 1-2 YEARS M 2025-30 L 2040+	RISK MODELLED	POTENTIAL FINANCIAL IMPACT	BUSINESS STRATEGIC RESPONSE
<p>Opportunity</p> <p>Opportunity to develop and expand into low-carbon business models and gain reputation as climate leader.</p> <p>As a business we have ambitious targets to deliver emission reductions and provide sustainable products and services for our clients.</p>	M, L	<p>Modelled the potential financial opportunity related to increased variable profit from changing consumer trends in relation to sustainable products.</p> <p>Three climate scenarios were used to stress test the opportunity (NZ, DT & BAU).</p>	<p>A larger and more diverse low-carbon product and service offering could result in an improved reputation with current and potential clients resulting in increased sales. The development or expansion of low emission products and services could give us the opportunity to enter new markets and increase variable profit as clients move to low-carbon service offerings and make purchasing decisions based on our sustainability credentials.</p> <p>The results of the modelling show opportunity for growth in the NZ & DT scenario in the medium and long term. Under a BAU scenario the growth is limited.</p>	<ul style="list-style-type: none"> New House of Brands Strategy to anticipate and meet client demand. Mobility and New Service models - Open Innovation, a strategy created to accelerate next-generation technology and sustainability implementation through collaborations with start-ups, scale-ups and like-minded organisations. <p>InMotion Ventures Studio incubates and accelerates new businesses and services from the ground up. Identifying opportunities in mobility and connected services to elevated modern luxury experiences through new digital services and sustainable innovations.</p> <p>For example, Pivotal is a hassle free, premium alternative to car ownership. We provide our clients with an all-inclusive, fully flexible service accessing our vehicles every six months. We are winning with new customer segments and businesses, and we see great opportunity to drive the transition to electric vehicles.</p> <p>See page 32 for more detail on circular products and services.</p>

Climate risk models are reviewed quarterly with risk owners to drive ongoing accuracy and improvements.

From the results of our current climate risk modelling and scenario analysis, we see the greatest potential financial impact from transition risks associated with increased exposure to key battery raw material costs (under a DT scenario) and regulatory / governmental policy changes such as carbon pricing and taxation schemes (under a NZ scenario). The opportunity to develop and expand into low-carbon business models was greatest under both the NZ and DT scenario. Under a BAU scenario the growth is limited.

- Key business inputs into the climate models:
- Business planning volumes
 - JLR scope 1,2 and 3 carbon emissions data

- Key Assumptions
- Models are updated in line with business plan reviews

Note 1: Scenario modelling has several limitations. Scenarios are not forecasts; they help to evaluate a range of hypothetical outcomes, considering a variety of plausible future states under a given limited set of assumptions. Modelling the impacts of climate change is subject to uncertainty and scientific debate, both of which increase with modelling of longer time horizons. The further we look out, the more challenging it is to model external conditions. The results should be reviewed in the context of these limitations.

Note 2: As part of our Climate modelling, we considered the potential financial impact from drought-related water scarcity and the risk of increased material prices due to water stress for critical operations. Also, drought dependency for direct suppliers, estimating the impact on variable profit. This risk was stress tested using three climate scenarios (NZ, DT, BAU) and our current modelling shows low financial impact under all three scenarios. However, we understand the impacts of water stress are complex and challenging to model. Further work will take place to understand water stress exposure across our supply chain.

PERFORMANCE DATA TABLES FY23/24: CLIMATE CHANGE

COMMITMENTS AND KPIs

Commitment	KPI measurement ¹	Baseline year FY19/20	FY23/24
46% reduction by 2030	% reduction in absolute location-based scope 1 and 2 GHG emissions.	325,942 tCO ₂ e	247,276 (-24.1%) tCO ₂ e
46% reduction by 2030	% reduction in absolute market-based scope 1 and 2 GHG emissions.	201,029 tCO ₂ e	146,074 (-27.3%) tCO ₂ e
60% reduction by 2030	% reduction in scope 3 GHG emissions from use of sold products per vehicle-kilometre.	255.95 gCO ₂ e	246.42 (-3.7%) gCO ₂ e
54% reduction by 2030	% reduction in scope 3 GHG emissions from purchased goods and services and use of sold products per vehicle sold.	64.31 tCO ₂ e	62.23 (-3.2%) tCO ₂ e

GHG EMISSIONS

Metric tonnes CO ₂ e (absolute) by emissions source ¹	Baseline year FY19/20	FY23/24
CO ₂ e emitted (scope 1)	160,416	129,340
CO ₂ e emitted (scope 2) location-based (market-based)	165,526 (40,613)	117,936 (16,734)
CO ₂ e emitted (scope 3)	32,713,013	26,867,176
Scope 3 emissions by category (as per GHG protocol)		
i) Purchased goods and services	6,675,250	5,589,647
xi) Use of sold products	26,037,763	21,277,529

Metric tonnes CO ₂ e (per vehicle) by emissions source ^{1, 2}	Baseline year FY19/20	FY23/24
CO ₂ e emitted (scope 3)	64.31	62.23
Scope 3 emissions by category (as per GHG protocol)		
i) Purchased goods and services	13.12	12.95
xi) Use of sold products	51.19	49.28

1 Calculation scope and assumptions provided in SBTi Reporting Methodology Statement is available on our [corporate website](#).

2 Scope 1 & 2 based on total vehicles produced at in scope sites. Scope 3 based on vehicles sold.

We engaged Grant Thornton UK LLP to provide independent limited assurance over the GHG emissions data in the table above using the assurance standards ISAE 3000 (Revised) and ISAE 3410. Grant Thornton has issued an unqualified opinion over the selected data and the full assurance report is available on our [corporate website](#).

WASTE

Waste generated ^{3,4}	FY21/22	FY22/23	FY23/24
Total metric tonnes of waste generated	30,008	32,915	37,037

Disclosure is based on data collated from our third-party waste management partners.

WATER

Water consumption ⁴	FY21/22	FY22/23	FY23/24
Total cubic metres of water consumption	1,658,929	1,521,862*	1,616,821

3 Data excludes metal and construction waste.

4 Sites in scope: Solihull, Halewood, Castle Bromwich, EMPC, Gaydon, Whitley, Nitra, Brazil, China JV (50% due to financial control).

* Where estimated values were used, these have been corrected with actual meter readings.

UK STREAMLINED ENERGY AND CARBON REPORTING (SECR)

PARAMETER	FY21/22	FY22/23	FY23/24
Energy consumption used to calculate emissions: kWh	1,017,618,240	1,055,904,317	1,036,059,427
Emissions from combustion of gas tCO ₂ e (scope 1)	99,872	105,577	99,185
Emissions from combustion of fuel, tCO ₂ e, including transport (scope 1)	8,531	9,637	10,729
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel tCO ₂ e (scope 3)	632	1,051	1,537
Emissions from purchased electricity tCO ₂ e (scope 2, location-based)	91,264	82,430	90,394
Total gross tCO ₂ e based on above	200,299	198,695	201,846
Intensity ratio: tCO ₂ e/£m revenue	10.93	8.71	6.96

For energy efficiency actions please see "Key Initiatives" on page 30. Data compiled in accordance with the Greenhouse Gas Protocol for Corporate Accounting and Reporting. UK Government conversion factors for year 2023 are used for calculating SECR CO₂e. Where relevant, SECR data is aligned to sites and fuels within the scope of the science-based target data.

GOVERNANCE

STRATEGIC REPORT

OUR APPROACH TO RISK

We endeavour to manage and monitor risk factors that could impact our plan for long-term sustainable growth.

DEFINING RISK

Risks are uncertain events that could materially impact organisational objectives; both adversely and favourably. We recognise that risk is inherent in all business activities and must be balanced when assessing returns. Successful management of risk is therefore key to accomplishing our strategic objectives. We use an enterprise risk management (ERM) framework to identify, assess, manage and continually monitor and report on key risks that could affect our business.

RESPONSIBILITY FOR RISK

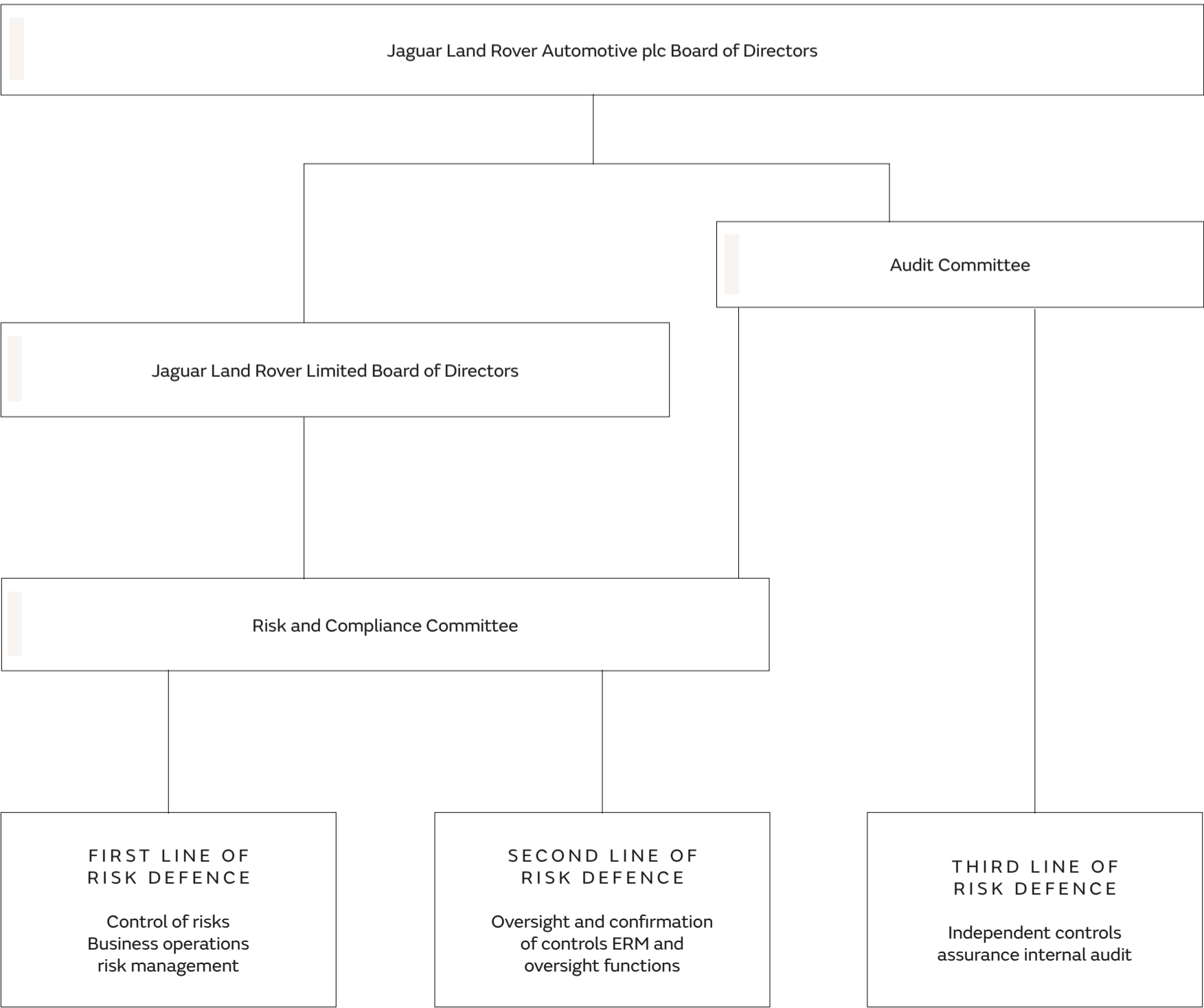
The Company's Board of Directors are ultimately responsible for the management of risks facing our organisation. However, the wider organisation is responsible for the proactive day-to-day management

and control of those risks. The JLRL Board of Directors via the Risk and Compliance Committee, provide oversight of current and emerging risks and monitor the progress of remediation actions towards acceptable levels of control and exposure. Principal risks and exceptions are reported to the Audit Committee and the Company's Board of Directors regularly to assist in the decision-making process and ensure adequate controls are in place to provide sufficient protection to the organisation.

OUR PRINCIPAL RISKS

Principal risks are considered to be the most significant risks faced by JLR, including those that are the most material to our performance, strategic objectives and long-term sustainability. They do not represent all the risks associated with and monitored within our business and are not set out in priority order.

OUR ENTERPRISE RISK MANAGEMENT RESPONSIBILITY FRAMEWORK



PRINCIPAL RISKS

CHANGES TO OUR PRINCIPAL RISKS DURING FY23/24

Two new risks have been introduced into our principal risks:

- Data Management
- IT Infrastructure

Mitigating actions are in place to improve our data capabilities in delivering new and innovative digital services and sustainable innovations across our brands. IT Infrastructure risk is managed through multiple on-going operational programmes to maintain stability and continuity.

One risk has been removed from our principal risks:

- Manufacturing Operations

Plans and mitigating actions put in place have proved effective in reducing our overall exposure in this area to within acceptable levels.

FINANCIAL	CONSEQUENCES	MANAGEMENT OF RISK
Competitive business efficiency ◀▶ Delivering on our business and strategic objectives is key to realising our planned future profitability and cash generation through return on our investments. There are risks inherent in the delivery of our planned <i>Reimagine</i> strategy as we make the investments to transition our product portfolio to increase the proportion of electric vehicles in the future. This includes our assumptions around the level of client demand for our products and delivery of our products at a competitive cost.	If our business is unable to compete effectively on cost we may experience lower than expected returns on our future investments which may make us unable to deliver on our financial objectives in the future. This may limit our ability to reduce net debt in the future as planned which could reduce our ability to raise new debt and invest further in new products in the future.	Our <i>Refocus 2.0</i> transformation programme supports the delivery of our <i>Reimagine</i> objectives. This operational transformation programme, alongside the strengthening of our existing programme governance, includes a focus on ensuring timely new product delivery to market, and management of the cost base of the business while also ensuring that we maximise profitability on our sales. We maintain strong liquidity in the business to ensure that we can navigate any funding challenges which may arise in the future.
STRATEGIC	CONSEQUENCES	MANAGEMENT OF RISK
Global economic and geopolitical environment ▲ JLR is exposed to changes in the global economic and geopolitical environment, as well as other external factors including but not limited to trade tensions, protectionism, wars, terrorism, natural disasters, climate change, humanitarian challenges and pandemics that may adversely impact its business.	Our international presence and global sales profile means that our business could be significantly impacted by the global external environment. Our global supply chain could also be negatively affected by disruption caused by external factors in the future. As a result, our business could be adversely affected through lower sales in each region.	We continue to closely monitor, assess and implement mitigation plans as necessary in consideration of the turbulent geopolitical and economic landscape. This work is underpinned by foresight intelligence and scenario planning so that we look further ahead and build resilience to alternative futures. Our diverse global customer base gives us the flexibility to react to regional changes in demand by adjusting our sales mix into other markets, while we may adjust product features or content should we face supply challenges informed through our enhanced supply chain risk management framework.
Brand positioning ◀▶ The automotive sector remains competitive with new entrants joining the market, particularly the electric vehicle segment. Under the <i>Reimagine</i> strategy we will target growth in our most profitable segments and continue to drive our modern luxury vision for the Range Rover, Defender, Discovery and Jaguar brands.	Demand for our products can be impacted by our potential inability to successfully position, maintain and articulate the strength of our brands, in addition to our failure to develop new products and technologies that meet client preferences.	Under the <i>Reimagine</i> strategy our brands continue our modern luxury vision to support our position in the market, with Jaguar relaunching as an all-electric brand from 2025 targeting a more premium segment of the market. As part of the <i>Reimagine</i> strategy we are increasing our collaboration and partnerships both within the Tata Group and with external organisations in a number of areas to ensure we can meet our client expectations.
Rapid technology change ▲ Technology in the automotive industry is evolving rapidly, particularly with respect to autonomy, connectivity and electrification. Falling behind with technology trends will increase the risk of not meeting the expectations of both our new and existing clients.	Any delay in the launch of technologically intensive products, or if the technology in our products becomes relatively obsolete, could impact sales as clients move to purchase products from our competitors.	Modern luxury is furthered by our passion to innovate. We prioritise the development of software defined vehicles, including autonomous, connected, electrified and shared technologies. We deliver modernist design philosophy and authentically build desirability and emotional engagement for our brands. It means we create inspirational, exclusive and exceptional experiences for our clients.

- ▲ Increasing
- ▼ Decreasing
- ◀▶ Stable
- N New

OPERATIONAL

CONSEQUENCES

MANAGEMENT OF RISK

Supply chain disruptions ▼

Our ability to supply components to our manufacturing operations at the required time is of paramount importance in achieving production schedules and meeting consumer demand.

- Natural disasters such as the 2023 Slovenian flood and Japanese earthquakes continue to have an impact on our global supply chain.
- Conflicts and tensions in the Middle East create further uncertainty.
- Extreme weather events (e.g. storms, floods, heatwaves) and their increase in frequency result in direct and indirect impacts to suppliers, and disruption to logistics that increase production costs and lead times.
- Uncertainty in demand due to the challenges surrounding the BEV transition lead to pressures on the availability of raw materials within the supply base and affect schedule stability.
- Geopolitical uncertainty increases the risk of trade wars around key components such as semiconductors and raw materials.

If not managed correctly, supply chain disruptions could have an adverse effect on production volume, revenue, profitability, client satisfaction as well as reputation.

Disruption caused by the Red Sea crisis has led to increased logistics costs and timing delays, primarily impacting finished vehicle distribution to Asia. Higher inflation caused by the scarcity and rising cost of commodities, energy and transport impacts production.

The industrialisation of our risk management framework has improved our time to recover from events impacting our global value chains as well as communication.

We continue to actively engage our internal teams and suppliers to mitigate potential disruption and with our Secure24 and Secure25 programmes are ensuring we confirm the semiconductor allocation and supply we need for future vehicle production. *Refocus 2.0* is deploying strategies to improve long term supply chain resilience and transformation to achieve this.

Information security ◀▶

Information-centric digital transformation is at the heart of our *Reimagine* strategy. Embracing new ways of working with focus on product development velocity and efficiency in industrial operations, is intrinsic to accelerate returns in service to value creation for our clients, colleagues, business and brands. As our industry becomes more information-enabled and powered by technology, information security becomes crucial for the benefit of our clients and profitable sustainability.

As data and digitisation continue to advance within JLR and our products and services, protecting our information assets and maintaining secure information services are critical enterprise enablers for the benefit of our clients and our resilience. Information security aims to manage business risks that could harm the organisation's strategic objectives. The business risk impacts can be categorised into four main areas at a macro level:

- Strategic Risk - Loss/theft of IP leading to long-term value loss
- Operational Risk - A severe ransomware could result in business disruption and loss of revenue
- Financial Risk - Breach of compliance could lead to major fines and operational sanctions being imposed
- Reputational Risk – Negative media publicity resulting in loss of clients and long-term customer trust impact

Information risk is managed strategically and operationally, through a comprehensive programme of initiatives. This is delivering measurable and prioritised improvements in enterprise information risk, enabled by stronger security foundations, capability maturity and complemented by continuous assurance.

Creating business value through optimised security delivery is central to our strategy, such as creating safe and trustworthy modern luxury experiences for our customers.

These measures ensure that risks are managed sustainably and flexibly, adapting to changes to the risk climate, supporting our continued transformation and growth.

Client service delivery ◀▶

To deliver a modern luxury client experience and optimise our sales and service channels, every client must receive a seamless and consistent hassle-free experience provided on their terms. We must know who our clients are, anticipate their needs and respect their privacy on their terms. Clients must be delighted at every step. Our retailer partners reflect our brand strategy and vision, and must effectively communicate our values, with trained and capable representatives, to continue successfully to attract and retain clients, driving high client satisfaction at every touch point.

Inconsistent client experience impacts our ability to attract and retain clients, and impacts overall customer satisfaction. Failure to deliver an exceptional experience through our online and physical retailer channels will lead to a weakening in our competitive positioning, potentially impacting our business and financial performance as a result.

Market demand is monitored daily to optimise vehicle and parts and accessory deliveries for our retailers and clients. Online customer experience is being enhanced and simplified. Retailer systems and tools are being enhanced, supporting retailer sales, service and technician representatives to deliver a seamless and consistent hassle-free client experience.

People capability and capacity ◀▶

To deliver our strategic and operational plans, we need a workforce with core and critical skills in both current and emerging areas, and a culture underpinned by a safe, secure and inclusive environment that enables people to do their best work every day.

If we are unable to attract, engage, develop and retain the best diverse talent and critical skills in an increasingly competitive environment, our ability to continually innovate and deliver products and services to our customers will be impacted.

Our focus on creating the conditions for high business performance continues. Cultural transformation is at the centre of our plans where we continue to raise awareness of and connect our people to our Purpose; underpin our policies, benefits and engagement in the Creators' Code (our behavioural framework); grow leadership capability and team effectiveness, and maintain focus on our Wellbeing and Diversity, Equity and Inclusion agendas. We also continue to respond to the rapidly evolving technological landscape where through our early careers, talent attraction and talent upskilling programmes we ensure our people have the skills and capabilities we need.

OPERATIONAL

CONSEQUENCES

MANAGEMENT OF RISK

Data management

We recognise data as a valuable asset which is fundamental to achieving its strategic objectives and becoming a data-driven organisation in a future where data, AI and automation are core. As technology advances, our data needs evolve. Robust data management practices enable us to generate high quality insight to drive operational efficiency and make strategic decisions effectively. This complements the necessity of meeting regulatory and security requirements.

Failure to implement effective data management practices leaves us exposed to the risk of regulatory fines and reputational harm. Our ability to meet customer needs, expectations and address future challenges will be hindered, potentially leading to decreased investment, loss of market share and reduced business performance.

Data Management provides the foundations for operational excellence that enables us to deliver new digital services and sustainable innovations for our customers. We are committed to safeguarding our data assets through specialist data governance capabilities, ensuring all our data assets are owned, controlled and accessible across JLR, and our employees have the skills, tools and support to enact. Promoting Data Management through an appropriate Data policy, standards and controls demonstrate our dedication to sustainable growth by ensuring we are ready for the future. With appropriate awareness we can maximise our ability to exploit new technologies and use AI safely and responsibly.

IT infrastructure

Our *Reimagine* strategy is underpinned by technology transformation which is vital for advancing our vision and embracing a new era in automotive excellence. IT infrastructure and digital technology drives the facilitation of cloud computing, enhancement of vehicle technology and providing real-time insights into production, supply chain, and financial data.

As customer expectations increasingly revolve around digital experiences, elevating the customer journey becomes paramount in our pursuit of excellence, built on the necessity for a stable IT infrastructure.

As our technology requirements grow a more complex environment may ensue. This could make mission-critical applications and infrastructure systems unsustainable and lead to operational vulnerabilities or business disruptions. Failure of critical infrastructure or applications could cause an outage across the JLR enterprise, hindering our ability to conduct essential business transactions or activities.

Through multiple operational programmes key mitigations are in place to address this risk. For instance, through vulnerability management our systems are kept up to date with the required software releases to maintain stability. A programme focused on technical debt ensures these are removed or mitigated where there may be an exposure to JLR of potential prolonged outages. Additionally, we have a critical activity focused on the improvement scalability and control of our global network. These key activities continue to support the infrastructure stability and provide assurance on our ability to deliver the *Reimagine* strategy.

LEGAL AND COMPLIANCE

CONSEQUENCES

MANAGEMENT OF RISK

Environmental regulations and compliance

We are subject to a rapidly evolving regulatory landscape with associated laws, regulations and policies that all impact our facilities and vehicles. The transition away from traditional fossil fuels to renewable energy sources - and the increasing pace of that transition - creates particular compliance challenges, in particular tailpipe emissions for automotive companies and wider compliance requirements for carbon emissions produced during manufacturing and other operations.

We incur additional compliance costs to avoid facing significant civil and regulatory penalties, and our competitors may gain an advantage by adopting new emissions-reducing and fuel-efficient technologies before we do. Furthermore, we may incur significant reputational damage, which could materially impact our brands and sales, if we fail to maintain environmental compliance. Regulatory and governmental policy changes may introduce additional operational costs in the form of carbon pricing and taxation.

We have committed to approved science-based targets as part of our carbon reduction strategy. We aim to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 46 per cent by FY30 from a FY20 base year. We also commit to reduce scope 3 GHG emissions from purchased goods and services and use of sold products by 54 per cent per car by FY30 from a FY20 base year. These targets are consistent with reductions required to keep warming to 1.5°C above preindustrial levels. We see opportunity to continuously develop and expand into low-carbon business models and services to support our future clients (see page 48 for progress against targets).

Litigation / regulatory

The litigation process is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Various legal proceedings, claims and governmental investigations are pending against the Company on a wide range of topics, including vehicle safety, defective components, systems or general design defects, emissions and fuel economy, competition, alleged violations of law, labour, dealer, supplier and other contractual relationships, intellectual property rights, product warranties and environmental matters.

Failure to comply with laws and regulations could expose JLR to civil and/or criminal actions leading to damages, product recalls or other regulatory measures, fines and/or criminal sanctions with negative impact on our corporate reputation.

We are committed to complying with the laws and regulations of the countries in which we operate. Our specialist teams in areas such as Engineering, Quality, Legal and Compliance are responsible for monitoring legal and regulatory developments, setting detailed standards and ensuring awareness of and compliance with those standards. See Note 35 - Commitments and contingencies - and an overview of our accounting policy for litigation. Beyond amounts provided with respect to all aforementioned matters we do not consider there to be any probable loss arising and no other litigation / regulatory matters which require further disclosure as a contingent liability.

INTRODUCTION TO GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT

For the year ended 31 March 2024, under the Companies (Miscellaneous Reporting) Regulations 2018, the Group has continued to apply the Wates Corporate Governance Principles for Large Private Companies ('Wates Principles') (published by the Financial Reporting Council ('FRC') in December 2018 and available on the FRC website). The following section summarises how the Group has applied the principles over the past year.

The Group remains committed to ensuring effective governance is in place to deliver its core values, as this is the foundation on which it manages and controls its business and provides the platform for sustainable profitability.

SECTION 172 COMPANIES ACT 2006

The Wates Principles provides a framework for the Group to not only demonstrate how the Company's Board of Directors makes decisions for the long term success of the Company and its stakeholders (see Principle 6 - Stakeholder Relationship and Engagement, on page 67), but also having regard to how the Company's Board of Directors ensures the Group complies with the requirements of Section 172 (1)(a) to (f) of the Companies Act 2006. Our reporting against the Wates Principles has been included below.

The Group is continuing its strong *Reimagine* journey to deliver a sustainability-rich vision of modern luxury by design. This has been further supported through the new corporate identity under the House of Brands to not just highlight the uniqueness but to further support the delivery of modern luxury by brand.

We are transforming our business to become carbon net zero across our supply chain, products, and operations by 2039. We have set a roadmap to reduce emissions across our own operations and value chains by 2030 through approved, science based targets. Electrification is central to this strategy and before the end of the decade all our brands will offer all-electric options, with Jaguar reimagined as an all-electric modern luxury brand from 2025.

Digital transformation continues with Tata Technologies to support Enterprise Risk Management (ERM) across the business. Chip supply is expected to continue to gradually improve and partnership agreements put in place with key chip suppliers are providing greater visibility over near-term supply. Further investment of £15 billion over five years to transition to our electric future is in full flight.

During 2024, the Group has continued to build on its Environmental, Social & Governance ("ESG") transformation strategy to ensure the complexity of achieving net zero targets is achievable whilst managing its associated risks.

During the year, Adrian Mardell and Richard Molyneux were appointed Chief Executive Officer and Chief Financial Officer respectively. Nick Collins, Executive Director, Vehicle Programmes and Hanno Kirner, Executive Director, Tata Synergy, resigned from the JLRL Board.



a) the likely consequences of any decision in the long term	<p>The Company's Board of Directors annually approves the five-year business plan and monitors its implementation throughout the year.</p> <p>External factors are also considered such as economic, political and ongoing challenges within the market as a part of the five-year plan to ensure both financial and operating strategy is set at sustaining and achieving the long-term success of the Group.</p> <p>To further enhance and support the long-term strategy, the Group continues to review debt funding arrangements during the financial year.</p> <p>See page 24.</p>
b) the interests of the Company's employees	<p>At JLR, we are passionate about our people. They are at the heart of our business. We are committed to fostering a diverse, inclusive culture that is representative of the society in which we live; a culture in which every one of our employees can bring their authentic self to work and reach their full potential.</p> <p>As part of an ongoing five-year plan we aim to:</p> <ul style="list-style-type: none"> • shape a culture of unity, belonging, inclusion and respect; • implement progressive policies, benefits and support; and • engage our employees to accelerate our progress. <p>The Company's Board of Directors understand the importance of the Group's employees to the long-term success of the business. The Group regularly communicates to its employees through presentations, internal group-wide emails and newsletters.</p> <p>A pulse survey undertaken annually allows employees to formally provide feedback to further support the long-term plans of the Group in addition to informal feedback sessions held during the year with various Executive Directors.</p> <p>Learning and development continues to be an important area of support to employees through both training days and e-learning modules. Internal networks to support wellbeing have been created to provide and create communities to discuss and share support on mental health and general wellbeing. .</p> <p>We proudly support the growing number of active diversity and inclusion employee-led networks both in the UK and overseas. These include Pride, REACH, Armed Forces, Gender Equality, Shine, Disability and a number of religious groups.</p> <p>See pages 38-39.</p>
c) the need to foster the Company's business relationships with suppliers, customers and others	<p>The Company's Board of Directors understand the importance of the Group's supply chain in delivering the long-term plans of the Group. The Group's principal risks and uncertainties set out risks that can impact the long-term success of the Group and how these risks interact with our stakeholders. Our suppliers of production and non-production goods and services play an integral role in our business and help us to operate globally. For example, we have engaged in strategic discussions with key component suppliers and chip producers to secure long-term supply agreements for future product programmes, to increase our resilience. The Group has key objectives and principles which are set out clearly in the Global Supplier Management policy. Ensuring this policy is followed to achieve consistent and best practice in our relationships with our suppliers, in addition to ensuring ethical behaviour, sustainability and health and safety is considered critical to the success of our business relationships.</p> <p>The Company's Board of Directors monitor the Group's engagement with our customers through the use of various Customer Experience Insight tools which helps collate feedback from the time of vehicle purchase onwards. This process is run internally and enables both the Group and retailers globally to help improve customer engagement. Other regular customer feedback mechanisms exist through a variety of syndicated surveys to provide and offer external and independent feedback.</p> <p>The Company's Board of Directors actively seek information on the interaction with stakeholders and employees to ensure that they have sufficient information to reach appropriate conclusions about the risks faced by the Group. This is further being reinforced by the introduction of a new Risk and Compliance Committee during the year (see page 65).</p>
d) the impact of the Company's operations on the community and environment	<p>Information on the Group's initiatives and commitment to and approach to sustainability can be found on pages 26-49.</p> <p>As part of their corporate decision making, the Company's Board of Directors have regard to ensuring dialogue and safeguarding is in place with investors, stakeholders and employees, thereby creating a positive social and environmental impact. This is demonstrated through both financial and non-financial reporting.</p> <p>The key governance issues around conflicts of interest, oversight, accountability, transparency and ethics violations are considered to be a critical and core aspect to the Group's ESG approach.</p> <p>See pages 43-49 for further details.</p>
e) the desirability of the company maintaining a reputation for high standards of business conduct	<p>We are committed to fostering a more diverse, inclusive and unified culture that is representative of our customers and the society in which we live; a culture where every one of our employees can bring their authentic self to work and feel empowered to reach their full potential.</p> <p>We have identified three strategic pillars to achieve our goal, which will shape our global Diversity and Inclusion activity over the next five years:</p> <ul style="list-style-type: none"> • Shape a culture of unity, belonging, inclusion and respect • Implement progressive policies, practices, benefits and support • Engage our employees and experts to accelerate progress through collaboration with our networks <p>Policies can be found on the Group's website.</p>
f) the need to act fairly as between members of the Company	<p>The Group is owned by Tata Motors Limited and collectively are committed to continuing to build future growth through new models and a roadmap that provides a clear direction for the business and our House of Brands.</p> <p>There is close collaboration and knowledge-sharing with Tata Group companies to enhance sustainability and reduce emissions as well as sharing best practice in next-generation technology, data and software development leadership.</p>

WATES PRINCIPLE 1 – PURPOSE AND LEADERSHIP

The Company’s Board of Directors continues to meticulously develop and promote the purpose of the Group through a diligent review of strategy, performance, responsibility and accountability so that every decision made is of the highest quality. The foundation of these decisions is made by taking in to account the business model and processes in place.

The Company’s Board of Directors actively ensures through committee meetings and wider input from the relevant stakeholders within the business that there is careful consideration of all economic, geopolitical and environmental factors. This is to ensure that the appropriate strategy and decisions are made. Ongoing and healthy dialogue and discussion with stakeholders continues with trade unions and employee representatives to support the business model and growth of the Group. Providing empowerment to stakeholders to make key and critical decisions to ensure objectives are met successfully is at the core of the Group.

This Corporate Governance Report includes further information about the Company’s Board of Directors, areas of focus, and the structure and

role of its committees which supports alignment and decision making to support global business strategy and models.

The *Reimagine* transformation supports our global strategy which continues to grow with investment of £15 billion over five years to produce next-generation electric vehicles. The Company’s Board of Directors continues to proactively consider the impact to the Group as a response to a variety of factors.

Details of individual directors’ attendance of FY24 Company’s Board of Directors meetings are shown in the following table:

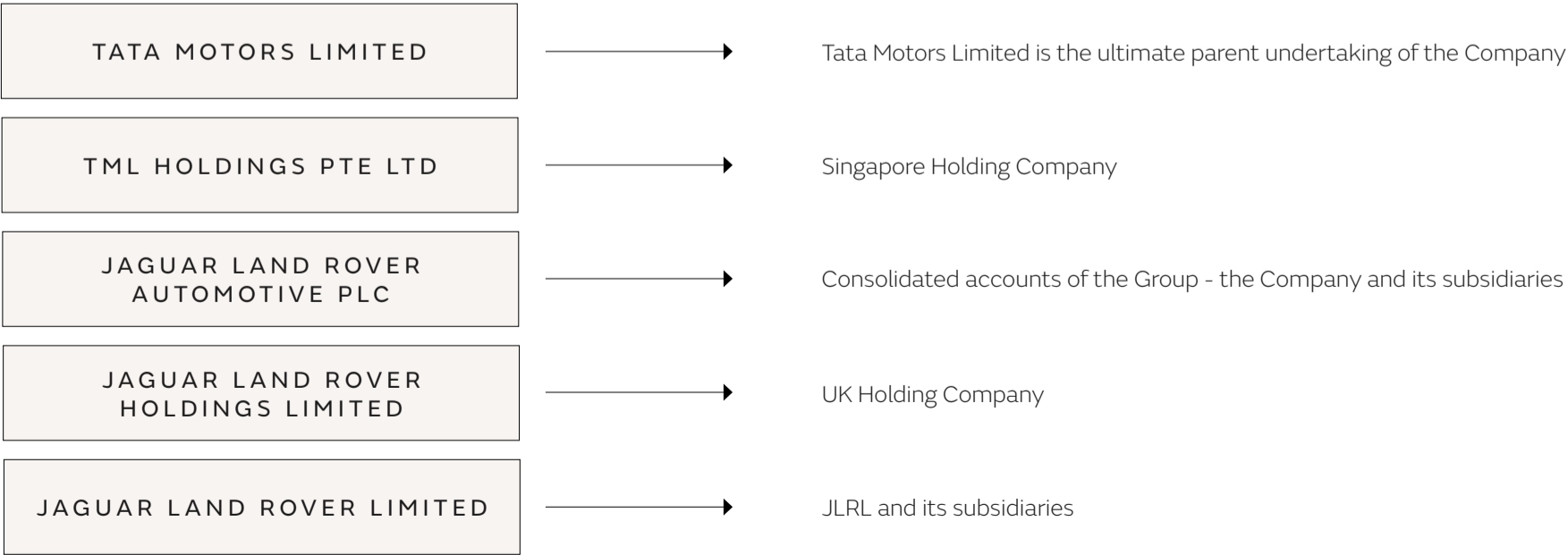
NAME OF DIRECTOR	Maximum no. of Principal Board Meetings director could attend	No. of Principal Board Meetings director attended	Percentage of Principal Board Meetings attended
Chief Executive Officer and Executive Director			
Adrian Mardell	7	7	100
Non-Executive Director			
Natarajan Chandrasekaran (Chairman)	7	6	86
Pathamadaï Balaji	7	7	100
Charles Nichols	7	7	100
Al-Noor Ramji	7	7	100
Hanne Sorensen	7	7	100
Prof. Sir Ralf Speth (Vice Chairman)	7	7	100

WATES PRINCIPLE 2 - BOARD COMPOSITION

Group Structure

The Group has been a wholly-owned subsidiary of Tata Motors Limited, in which Tata Sons is the largest shareholder, since 2008.

The following sets out the Group structure:



HOW WE DIVIDE UP OUR RESPONSIBILITIES

We continuously evaluate the balance of skills, experience, knowledge and independence of the Group's directors. The Company's Board of Directors comprises a separate Chairman and Chief Executive Officer to ensure that the balance of responsibilities, accountabilities and decision-making across the Group are effectively maintained. They are further supported by non-executive directors, the Chief Financial Officer and the Company Secretarial team.

Chairman of the Company's Board of Directors

Responsible for leading the Company's Board of Directors, its effectiveness and governance. Also sets the agenda to take full account of the issues and concerns of the directors and ensures effective links between external stakeholders, the Company's Board of Directors and management.

Non-Executive Directors

Constructively challenge the Chief Executive Officer and monitor the delivery of the Group's strategy within the risk and controls environment set by the Company's Board of Directors.

Chief Executive Officer

Responsible for the day-to-day leadership, management and control of the Group, recommending the Group strategy to the Company's Board of Directors and implementing the Group's strategy and decisions of the Company's Board of Directors.

Chief Financial Officer

Responsible for the financial performance of the Group and providing support to the Chief Executive Officer in implementing future strategy.

Company Secretary

The Company Secretary has a key role to play in ensuring that board procedures are both followed and regularly reviewed for the effective functioning of the board. The Company Secretary offers guidance to the directors on corporate governance matters and what their responsibilities are under the rules and regulations to which they are subject and on how these responsibilities should be discharged.

The Company's Board of Directors continues to work on creating a more diverse board of directors which supports equal opportunities. There are strategies in place which encourage diversity throughout the workplace with opportunities for employees to progress to senior levels.

The size and composition of the Company's Board of Directors is considered to be appropriate with all members contributing a wide variety of experience. The Company's Board of Directors are provided with the detail and information required to work collaboratively together as a unified team to make informed decision making as part of ongoing scheduled board meetings.



LEADERSHIP

JAGUAR LAND ROVER AUTOMOTIVE PLC BOARD OF DIRECTORS



**NATARAJAN
CHANDRASEKARAN**
NON-EXECUTIVE
DIRECTOR
AND CHAIRMAN

Appointed February 2017



**ADRIAN
MARDELL**
CHIEF EXECUTIVE OFFICER

Appointed November 2022



**PATHAMADAI
BALACHANDRAN
BALAJI**
NON-EXECUTIVE
DIRECTOR

Appointed December 2017



CHARLES NICHOLS
NON-EXECUTIVE
DIRECTOR

Appointed January 2022



AL-NOOR RAMJI
NON-EXECUTIVE
DIRECTOR

Appointed January 2022



HANNE SORENSEN
NON-EXECUTIVE
DIRECTOR

Appointed August 2018



PROF SIR RALF D SPETH
KBE FREng FRS
NON-EXECUTIVE VICE
CHAIRMAN

Appointed February 2010

JAGUAR LAND ROVER LIMITED BOARD OF DIRECTORS



ADRIAN MARDELL
CHIEF EXECUTIVE OFFICER



BARBARA BERGMEIER
EXECUTIVE DIRECTOR,
INDUSTRIAL OPERATIONS



NIGEL BLENKINSOP
EXECUTIVE DIRECTOR,
ENTERPRISE PERFORMANCE
& QUALITY



FRANÇOIS DOSSA
EXECUTIVE DIRECTOR,
STRATEGY &
SUSTAINABILITY



LENNARD HOORNIK
CHIEF COMMERCIAL
OFFICER



**PROFESSOR GERRY
MCGOVERN OBE**
CHIEF CREATIVE OFFICER



RICHARD MOLYNEUX
CHIEF FINANCIAL OFFICER



THOMAS MÜLLER
EXECUTIVE DIRECTOR,
PRODUCT ENGINEERING



QING PAN
PRESIDENT & CEO,
JLR CHINA



HANNE SORESEN
NON-EXECUTIVE
DIRECTOR



DAVE WILLIAMS
EXECUTIVE DIRECTOR,
HUMAN RESOURCES

JAGUAR LAND ROVER LIMITED FIRST LINE OF LEADERSHIP



DAVID BERRY
GLOBAL GENERAL
COUNSEL



CHRIS THORP
CHIEF OF STAFF

WATES PRINCIPLE 3 – DIRECTOR RESPONSIBILITIES

Effective risk management is central to achieving the Group’s strategic objectives and is a core responsibility of the Company’s Board of Directors and its committees. In this section, you will find information about the responsibilities and focus of the various committees within the Group.

Good governance is achieved through effective committees tackling core areas of focus on a regular basis. See pages 64-65 for further information.

In this section, you will find information about the induction and development of directors across the Group, as well as the key considerations when measuring the effectiveness of the Company’s Board of Directors and its committees.

JAGUAR LAND ROVER AUTOMOTIVE PLC BOARD OF DIRECTORS

The Company’s Board of Directors provides supervision and guidance to the Group’s management, particularly with respect to corporate governance, business strategies and growth plans. It also considers the identification of risks and their mitigation strategies, entry into new businesses, product launches, demand fulfilment and capital expenditure requirements, as well as the review of business plans and targets.

For more information see pages 64-65

AUDIT COMMITTEE

Reviews the integrity of the financial statements, relationship with the external auditors and effectiveness of internal financial controls.

For more information see pages 64-65

NOMINATIONS & REMUNERATION COMMITTEE

Determines the overall remuneration policy and strategy to ensure transparency and alignment with the Group’s short and long-term strategic goals.

For more information see pages 66-67

TECHNOLOGY COMMITTEE

The scope of the Committee is to have oversight and provide clarity in respect of the technology strategy of the Group.

For more information see page 65

JAGUAR LAND ROVER LIMITED BOARD OF DIRECTORS

The JLRL Board executes the strategy and ensures the governance principles agree with the Company’s Board of Directors, with the JLRL Board operating under the direction and authority of the Chief Executive Officer to support in the execution of the Group’s strategy, including evaluating the Group’s performance against budget and forecast.

The JLRL Board is also responsible for overseeing the implementation of appropriate risk assessment processes and controls to identify, manage and mitigate the principal risks to the Group, and in doing so, provide support to the boards of directors of other Group companies.

RISK & COMPLIANCE COMMITTEE

Provides effective executive oversight of and strategic direction to the Group’s risk management and compliance & ethics programmes.

For more information see page 65

DISCLOSURE COMMITTEE

Supports the Company’s Board of Directors and Audit Committee in reviewing and approving the final form of quarterly and annual statements relating to the performance of the Group.

For more information see page 65

OTHER EXAMPLES OF MANAGEMENT COMMITTEES:

- Product Committee
- Health and Safety Committee
- Financial Risk and Assurance Committee (FRAAC)
- Financial Risk Committee (FRC)

THE KEY MATTERS CONSIDERED BY THE COMPANY’S BOARD OF DIRECTORS DURING FY23/24 INCLUDED:

TOPIC / ACTIVITY	ACTIONS	PROGRESS
STRATEGY		
Review of the business and operating model	<p>Analysed the automotive industry trends and retail outlook and assessed the potential impact on the Group.</p> <p>Reviewed the Group's performance against its competitors.</p>	<p>JLR partners with Wykes Engineering to develop one of UK's largest second life battery energy storage schemes.</p> <p>Tata's newly announced £4 billion UK gigafactory will provide JLR with a stable and secure supply of battery cells to electrify JLR's next generation of modern luxury vehicles.</p>
Monitoring opportunities for future revenue streams	<p>Supported continued investment to promote sustainable business growth over the long term.</p> <p>Used cash to implement ongoing programmes to support business growth.</p> <p>Reviewed and approved, where appropriate, the business cases for internally developed future business.</p>	<p>Our first reimagined modern luxury electric vehicle to go on sale will be Range Rover Electric, available for pre-order in early 2025, with deliveries during the year.</p> <p>Range Rover Sport named "Auto Express Large Premium SUV of the year 2023".</p> <p>JLR's Jaguar and Land Rover (Range Rover, Defender, Discovery) brands placed top of J.D. Power US "Automotive Performance, Execution and Layout (APEAL)" study based on client perceptions of design, performance, safety, comfort and quality.</p>
Discussion of the Group's capital structure and financial strategy	<p>Considered and approved the Group's debt funding arrangements.</p> <p>Ongoing commitment to reducing net debt, targeting net cash from FY25.</p> <p>Reviewed a number of opportunities in the fiscal year.</p>	<p>JLR completed a buyback of circa. \$400 million equivalent of its outstanding bonds. The buyback demonstrates the recent strong financial performance of the company and resulting liquidity.</p> <p>€650 million bond was paid during January 2024.</p>

RISK MANAGEMENT AND INTERNAL CONTROL

Review the Group's principal risks and the effectiveness of risk management and internal control systems.	<p>Clearly articulated the Group's approach to risk and internal control.</p> <p>Reviewed and updated approach to identify and manage principal risks and potential weaknesses and deficiencies in the design or operation of the Group's internal controls.</p> <p>Continuing assessment of significant and emerging risks, including geopolitical uncertainty.</p>	<p>Agreed Group-level risks and a robust set of mitigating activities, which are regularly monitored.</p> <p>Further developed the Group's approach to risk through creation of a new Risk & Compliance Committee to provide effective executive oversight of and strategic direction on JLR's risk management and compliance & ethics programmes, including the implementation and maintenance of effective controls.</p> <p>Considered movements in key risks resulting from changes to likelihood or business impact.</p>
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LEADERSHIP AND PEOPLE

Review composition of the Company's Board of Directors and its committees	<p>Discussed the composition of the Company's Board of Directors and its committees, including succession planning.</p>	<p>The Company's Board of Directors and Senior Director's Forum is in place and continually monitored and evaluated.</p>
Review the development of people and talent in the Group, including succession planning for senior roles	<p>Ongoing commitment to maintain a balance of appropriate skills and experience among the Company's Board of Directors and in the workforce across the Group.</p>	<p>Due to the strength of succession planning built into the business, changes surrounding board positions has been appropriately addressed.</p>
Discuss the results of the employee engagement survey and devise strategic actions arising from it	<p>Conducted a thorough review of Pulse surveys to identify areas for improvement.</p> <p>Encouraged employees across the Group to propose actions to address any identified areas of improvement.</p>	<p>Continued focus on engagement and development of employees through offering a wide range of training courses.</p>

TOPIC / ACTIVITY	ACTIONS	PROGRESS
GOVERNANCE, STAKEHOLDERS AND SHAREHOLDERS		
Review the Group's purpose, goal, vision and values	Considered sustainability, including the Group's impact on the community and the environment.	Reviewed developments in corporate governance and considered key legal and regulatory updates.
	Monitored and addressed regular Health and Safety updates.	Review of the five year business plan and monitoring of corporate scorecards which are continuously assessed to ensure the Group's vision and goal to drive strategy and business initiatives is achieved.
Encourage strong engagement with investors and stakeholders	Actively supported engagement opportunities.	Ongoing discussions at all levels of the business with shareholders.
	Regularly reviewed and acted upon feedback from key stakeholders.	Engagement with other stakeholders based on feedback. There is regular dialogue with our bond investors and relationship banks including an annual capital markets day where investors, banks and other credit providers have the opportunity to meet with JLR senior management.
		Further information relating to our existing and future relationships with shareholders, customers, suppliers and our communication and dialogue with our stakeholder groups is set out on page 56 and page 68.

FINANCIAL PERFORMANCE

Assessment of the Group's financial performance	Evaluated the Group's performance against budget and forecast.	Reviewed and approved the latest five-year business plan for the Group.
	Reviewed the quarterly and annual results and associated presentations to investors.	Approved the Annual Report.

EFFECTIVENESS

THE COMPANY'S BOARD OF DIRECTORS

The Company's Board of Directors will continue to consider the core areas described previously. Though not an exhaustive list, they will continue with particular focus on:

- Target of reaching net debt zero by the end of FY25 through the continued success of *Reimagine* financial goals;
- Ongoing investment and support within production facilities to electrify brands by 2030;
- Partnering with key suppliers and leaders who are specialists in their fields to support transformation of our business to be sustainable and modern luxury future;
- Development of our people and the workplace through the Creators' Code;
- Ongoing review and monitoring of external risk factors, considering their impact on the future of the Group in light of upcoming changes in both the political and economic environment.

INDUCTION, DEVELOPMENT AND SUPPORT

All new directors receive a full, formal and tailored induction upon joining the Company's Board of Directors. The Company's Board of Directors calendar is also planned to enable directors to visit the increasing number of JLR geographic locations. Directors are briefed on a wide range of topics throughout the year.

These topics range from those with particular relevance to the business of the Group, such as global automotive demand, to more general matters such as developments in corporate governance. We recognise that our directors have a range of experience and so we encourage them to attend external seminars and briefings that will assist them individually.

EVALUATION

The Company's Board of Directors continuously assesses its effectiveness in the following areas:

- The flow and quality of information to and from the Company's Board of Directors to ensure effective communication;
- Decision-making process and culture;
- The outcome and impact of decisions made by the Company's Board of Directors;

The Company's Board of Directors and committees also provide direct feedback to management committees during the year.

COMMITTEES SUPPORTING ACCOUNTABILITY

AUDIT COMMITTEE

Composition of the Audit Committee

C Nichols, (Chairperson)

P. B. Balaji

H B B Sørensen

A. N. Ramji (effective 1 November 2023)

Role of the Audit Committee

- Monitors the integrity of the financial statements, including the review of significant financial reporting issues and judgements alongside the findings of the external auditor;
- Oversees the relationship with the external auditor, external audit process, nature and scope of the external audit and the appointment, effectiveness, independence and fees of the external auditor;

- Monitors and reviews the effectiveness of Corporate Audit, ensuring coordination with the activities of the external auditor;
- Reviews the effectiveness of the Group's systems for internal financial control, financial reporting and risk management.

MAIN ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

Financial Reporting

During the year, the Audit Committee met with the external auditor and management as part of the FY23/24 annual and quarterly reporting approval process a total of five times. The Audit Committee reviewed the draft financial statements and considered a number of supporting papers. This included reviewing information presented by management on significant accounting judgements to ensure all issues raised were properly dealt with; reviewing presentation and disclosure of material to ensure adequacy, clarity and completeness; reviewing the documentation prepared to support the going concern statement; and reviewing external audit reports. The key matters considered in the year were: impairment of property plant and equipment, intangible and right of use non-current assets, capitalisation of product engineering costs, valuation of defined benefit plan obligations, and recognition of UK deferred tax asset.

Internal Controls

The Audit Committee have reviewed the effectiveness of risk management systems and internal control over financial reporting within the Group. The reviews also considered any potential major deficiencies in the design or operation of the Group's internal control over financial reporting, which are reasonably likely to adversely affect the Group's ability to record, process and report financial data, including that of systems controls. The Audit Committee received reports from the external auditor, Business Assurance and Corporate Audit with respect to these matters.

External Audit

The Audit Committee reviewed the significant audit issues affecting the Group with the external auditor and how they have been addressed in the financial statements. The Audit Committee also evaluated the external auditor by reviewing the firm's independence, its internal quality control procedures and any material issues raised by the most recent quality control or peer review of audit firms. This included the findings of any enquiry or investigation carried out by government or professional bodies with respect to one or more independent audits performed by the external auditor within the last five years.

KPMG, the external auditors, have completed their seventh year in post. Section 139(2) of the Indian Companies Act, 2013, mandates that all listed companies rotate their auditors once the auditor has served as an auditor for a period of 10 or more consecutive years. Under these regulations, the Group will be required to retender the audit by no later than 2027 and the Committee will keep the external auditor tender under review and act in accordance with any changes in regulations and best practice relating to the tenure of the external auditor.

To help safeguard KPMG's objectivity, independence and effectiveness, the Group has a non-audit services policy which sets out the circumstances and financial limits within which the external auditor may be permitted to provide certain non-audit services. This policy sets a presumption that KPMG should only be engaged for non-audit services where there is an obvious and compelling reason to do so (for example, their skills and experience or ability to provide the services) and provided such work does not impair their independence or objectivity and has no impact on the audited financial statements. It prohibits KPMG from providing certain

services, including legal, valuation, actuarial and internal audit. The Audit Committee approves all non-audit services before they are performed. Non-audit fees paid to KPMG in the year totalled £0.5 million (2023: £0.5 million), representing six per cent of the total fees paid for audit and audit related assurance services.

Corporate Audit

During the year, the Audit Committee reviewed the adequacy of the Corporate Audit function, the Corporate Audit charter, staffing and seniority of the official heading the function, reporting structure, budget, coverage and the frequency of corporate audits, the structure of Corporate Audit and approval of the audit plan.

DISCLOSURE COMMITTEE

Composition of the Disclosure Committee

Chief Financial Officer and his direct reports.

Role of the Disclosure Committee

- To review and update the terms of reference of the Disclosure Committee;
- To review the audit and control findings from the external auditor;
- To review areas of key management judgement and significant transactions, including their presentation and disclosure in both the quarterly and annual financial statements;
- To review new disclosures in both the quarterly and annual financial statements for appropriateness;
- To consider the impact of new accounting standards on the Group.

RISK AND COMPLIANCE COMMITTEE

Composition of the Risk & Compliance Committee

Executive Board Directors of the Company
Global General Counsel
Chief of Staff
Director of Compliance, Ethics & Risk

Role of the Risk and Compliance Committee

The Committee was established during the year to provide effective executive oversight of and strategic direction on JLR's risk management and compliance & ethics programmes, including the implementation and maintenance of effective controls.

The following are the key focus areas for the Committee in undertaking its role:

- Resilience and Enterprise Risk Management
- Compliance & Ethics
- Trends in Unusual Events, Incidents, Breaches and their resolution
- Physical & Cyber Security
- Strategic Incident Management and Business Continuity Planning

TECHNOLOGY COMMITTEE

Composition of the Technology Committee

Al-Noor Ramji (Chairperson)
Hanne Sorensen

Role of the Technology Committee

- Review Cycle Programs and Investment for overall PLC Program Approval – overall platform strategy to deliver curated products for the different brands;
- Review Future Technology Roadmap – overall research and service roadmap review;
- Review Enterprise Delivery Enablers – consideration of digital transformation in alignment with agile operating model;
- Assess Global Technology Footprint – technological approach for the Group.

ACCOUNTABILITY

WATES PRINCIPLE 4 - OPPORTUNITY AND RISK

In addition to the matters referred to throughout this report on risk management, please also refer to pages 52 to 54 which include a list of all emerging and principal risks including mitigations relevant to the Group. See pages 52 to 54 for assessment and categorisation of principal risks and actions to mitigate.

WATES PRINCIPLE 5 - REMUNERATION

In accordance with Wates Principle 5, the Nominations and Remuneration Committee and the Company's Board of Directors ensures that appropriate senior management is recruited to deliver on the Group's objectives. The Nominations and Remuneration Committee has clearly defined Terms of Reference and is responsible for remuneration strategy, recruitment and long term incentive plans for senior executives.

NOMINATIONS AND REMUNERATION COMMITTEE

Composition of the Nominations and Remuneration Committee

Hanne Sorensen, (Chairperson)

Natarajan Chandrasekaran

In addition to the Committee members, the Chief Executive Officer is invited to attend meetings, except where there is a conflict of interest. The Nominations and Remuneration Committee is supported by the Chief People Officer and the People Director, Global Reward & Mobility.

Role of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for the structure, appointments, removals, succession, performance and compensation of the Company's Board of Directors and the JLRL Board. The Committee's involvement in all aspects of nominations and remuneration ensures that all decisions in terms of Board appointments are made in a fair, equal and balanced way.

This financial year the Committee further strengthened the JLRL Board by confirming the appointments of Adrian Mardell, Chief Executive Officer and Richard Molyneux, Chief Finance Officer. In December 2023, Nick Collins, Executive Director, Vehicle Programmes and Hanno Kirner, Executive Director, Tata Synergy, resigned from the JLRL Board to take up positions externally.

Remuneration Policy

The remuneration policy is designed to attract, retain and motivate executives of the highest quality, encouraging them to deliver exceptional business performance aligned to JLR's strategy and the objective of delivering long-term sustainable growth. Its structure and individual remuneration elements align with the design of the Company's remuneration policy for the wider organisation. Any decisions the Nominations and Remuneration Committee makes in relation to executive remuneration will be made with clear understanding of the developments to pay and conditions for the wider workforce.

Executive remuneration consists of:

Fixed elements:

- Salary. Designed to recruit and retain individuals with the necessary knowledge, skills and experience to deliver the Group's strategic objectives. Salary is reviewed annually and benchmarked against comparable roles in appropriate comparator groups.
- Retirement benefits. The Group has a number of defined benefit pension schemes that are closed to new employees as well as an active defined contribution scheme. All of the current Executives have elected to receive a cash allowance in lieu of retirement benefits. The cash allowance is at the same level as the equivalent defined contribution provision.
- Other benefits. Executives are eligible to participate in the Group's management car programme, medical arrangements, and life insurance and disability plans.

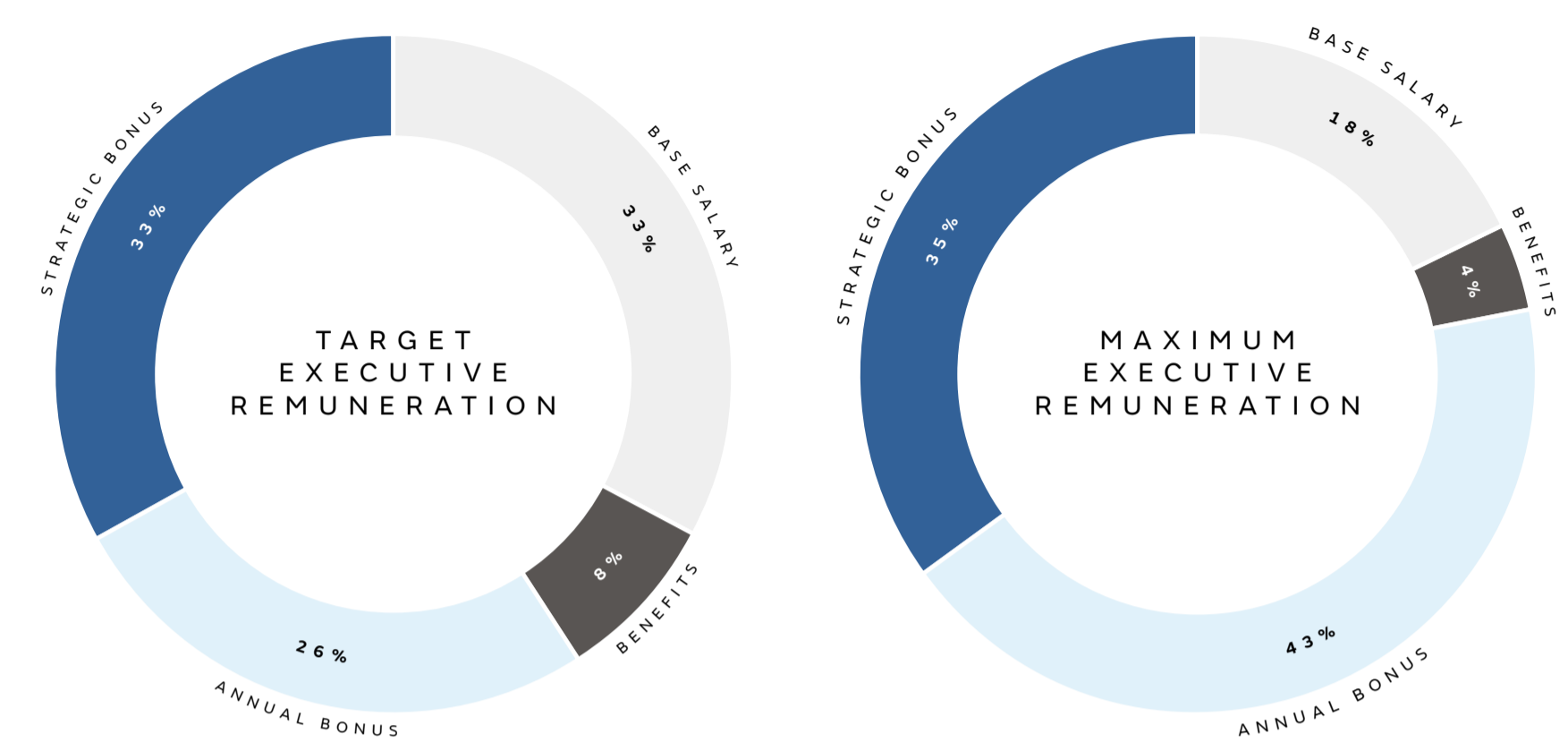
Performance-related elements:

- The Global Bonus Plan is an annual bonus plan which focusses on the Company's key operational priorities. It rewards achievement of short-term financial and operational objectives. The metrics for the FY23/24 remained unchanged. Each of the metrics has an equal weighting.
- The Strategic Bonus Plan, open to JLR's senior worldwide leadership, is an annual bonus plan which rewards the progress and transformation necessary to achieve the Company's strategic targets. The metrics are set annually against a longer-term glidepath which ensures that they can be adjusted to evolving priorities and external conditions whilst also providing good governance and accountability for long-term improvements. The plan metrics for FY23/24 continue to focus on Financial Health, Brand Health and Sustainability and reward the collaborative effort and steps senior leadership make towards implementing the *Reimagine* strategy and delivering results.

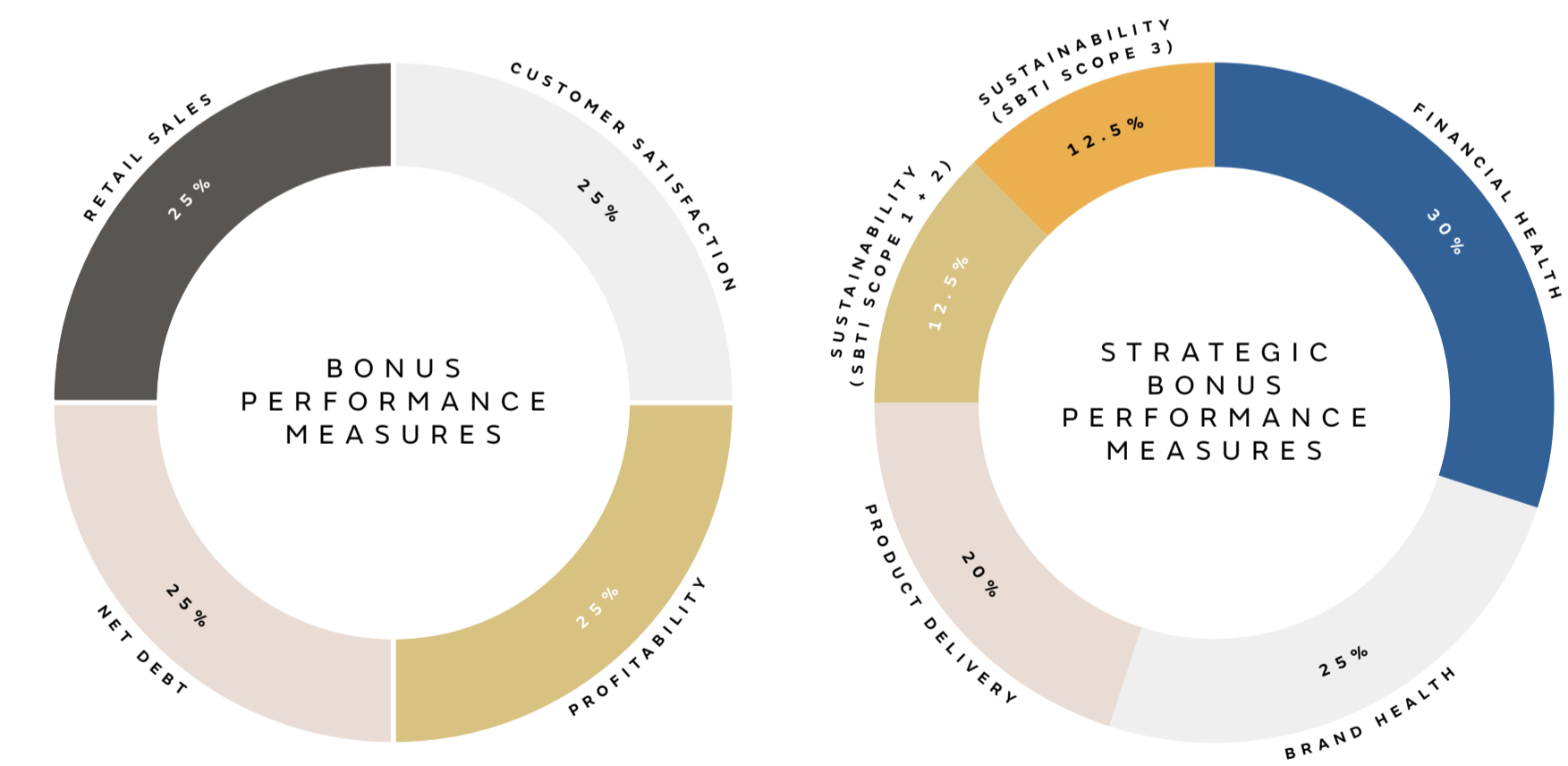
JLR's public commitment to CO₂e reduction targets by 2030, approved by the Science Based Targets initiative (SBTi), is reflected in the FY23/24 Strategic Bonus plan. This year's bonus plan continues to reward for performance against scope 1+2 and scope 3 SBTi targets. The inclusion of these targets underlines the importance sustainability has in the Company's future strategy.

EXECUTIVE REMUNERATION FY23/24

There is linkage between JLR business strategy and the performance related elements of remuneration.



The overall objective is to deliver executive pay in line with a market median range for target performance, with enhanced reward opportunity to reflect exceptional business performance. Overall remuneration is balanced, with the majority linked to business performance.



WATES PRINCIPLE 6 – STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

The Company’s Board of Directors continues to promote accountability and transparency with all stakeholders and shareholders and effectively communicates the Group’s strategic direction. Brand and reputation including existing and future relationships with shareholders, clients, suppliers, employment interaction and communication with clients and suppliers are set out on page 56. Maintaining strong relationships with shareholder and bond investors is crucial to achieving the Group’s aims.

INVESTOR RELATIONS ENGAGEMENT

SOLE SHAREHOLDER

The Company (and its subsidiaries) is a wholly owned subsidiary of TML (held through Tata Motors Limited Holdings Pte. Ltd. (Singapore)). Although we operate on a stand-alone, arm's length basis, we maintain an open and collaborative strategic relationship with TML and plan to increase our collaboration in numerous areas going forward.

BOND INVESTORS, LOAN AND OTHER CREDIT PROVIDERS

As at 31 March 2024, we had approximately £3.1 billion of listed unsecured bonds outstanding (31 March 2023: £4.1 billion) and £1.0 billion of loans (31 March 2023: £1.9 billion). The Company also had £0.7 billion of leases at 31 March 2024 (£0.7 billion at 31 March 2023). We maintain regular

dialogue with our bond investors and relationship banks (some of whom provide support for loans and other credit facilities) through the quarterly publication of operational and financial results on the [Group's website](#) supported by live broadcasts. The investor relations team also attends various credit conferences held throughout the year and our annual capital markets day where investors, banks and other credit providers have the opportunity to meet with JLR senior management in person to discuss the Company's strategy and aspirations.

CREDIT RATING AGENCIES

As at 31 March 2024, the Company had a credit rating of BB (positive outlook) from S&P and BA3 (positive outlook) from Moody's.



OUR APPROACH TO TAX

INTRODUCTION

We are committed to complying with the tax laws and regulations in the countries in which we operate and have a policy of zero tolerance towards non-compliance. We embrace our Creators' Code in all that we do to curate and enhance our modern luxury client experience and brand reputation as a responsible taxpayer. JLR is a global business and as such our operations are large and complex. As a result, we operate through multiple companies, with activities, employees and assets located in numerous countries around the world. This, in turn, naturally drives an inherent level of complexity in our tax affairs. The global business is however united in adopting the following key tax principles which are aligned with our business behaviours.

OUR KEY TAX PRINCIPLES

The following core principles have been formally adopted by the Company's Board of Directors in relation to our approach to tax matters and the conduct of our tax affairs.

1. Compliance - We act with integrity, both within the letter and spirit of all tax legislation and relevant international standards. We have a zero tolerance to tax evasion, including the evasion of tax by third parties associated with our business. We ensure that the right amount of tax is paid at the right time in the right country. As a commercially driven organisation, we consider the tax consequences of our decisions, but we do not engage in transactions without commercial substance with the sole purpose of avoiding tax. In making business decisions we seek to maximise value to our stakeholders. Tax decisions are driven by core values of integrity, unity and responsibility and planning is driven by commercial rationale.
2. International tax – We embrace business unity to ensure that our international tax affairs are aligned and kept current with the substance of our business operations in keeping with international tax guidance. We do not engage in any form of artificial tax structuring and we do not operate in or use any offshore tax havens. All JLR subsidiaries are located in countries where the business has significant physical and economic operations. We claim reliefs, credits, incentives and exemptions that are legislated in the countries in which we operate and have a genuine presence.
3. Relationships with governments and tax authorities and industry associations where we operate - We seek to maintain trusting, transparent and constructive relationships with tax authorities, including HMRC in the UK, and to engage in future tax policy and legislation to create shared value.
4. People – We invest in our people, their continued learning and growth to deliver on these commitments. Regular updates are provided on recent tax related developments through training and focused sessions.

OUR APPROACH TO TAX RISK

We maintain a limited appetite for tax risk and continuously strive to limit tax risks in line with the principles outlined above.

A risk assessment model is applied to assess any significant transaction to ensure that these principles are adhered to.

Our business is global and we operate in numerous countries, each of which has its own tax legislation. Tax law is often complex and subject to change and interpretation. Recent international tax developments further add to this complexity. Therefore, a degree of tax uncertainty is inevitable. We partner with the business to provide appropriate and current tax advice on the implications of business decisions.

Where local legislation permits, we may seek advance agreement from the relevant tax authority, including advance pricing agreements to ensure that we do not pay tax on the same profits twice. In the event of any audit activity or scrutiny, we seek to engage with the relevant tax authorities to provide all relevant information in a transparent and timely manner to resolve any matters efficiently and effectively.

MANAGING OUR TAX RISK AND OUR GOVERNANCE FRAMEWORK

Our tax strategy is approved by the Company's Board of Directors annually and tax risks are reported quarterly to the Financial Risk and Assurance Committee. Appropriate accounting and financial oversight is exercised through the Audit Committee with the Chief Financial Officer having oversight responsibility on behalf of the Company's Board of Directors.

We maintain a robust risk framework to ensure adherence to these principles. We achieve this through internal reviews, refreshing our policies periodically and seeking external advice wherever required in case of interpretational issue or uncertainty. Our key tax principles are embedded in roles and responsibilities outlined in our tax charter which is issued annually across the global business.

Responsibility for the day-to-day management of JLR's tax affairs rests with our central Tax function, comprising an appropriate blend of tax professionals led by the JLR Tax Director. In addition to the central Tax function, the business also has dedicated tax professionals embedded within the finance teams of key non-UK subsidiaries. All have the necessary qualifications, training, skills and experience required to effectively undertake their roles and ensure that our compliance standards are met. The Tax function also advises the Company's Board of Directors in relation to setting Group tax strategy and policy.

Where appropriate, we look to implement technology-based solutions to track compliance, streamline processes, drive efficiency and manage risk including reviews and escalation where necessary.

The Company regards this document and its publication as complying with its duty under Para 19(2), Sch 19, FA16.

APPROVAL OF STRATEGIC REPORT

The Strategic Report on pages 9 to 69 was approved by the Company's Board of Directors and authorised for issue on 31 May 2024 and signed on its behalf by:



ADRIAN MARDELL
CHIEF EXECUTIVE OFFICER
Jaguar Land Rover Automotive plc
31 May 2024



DIRECTORS'
REPORT

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DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2024. Jaguar Land Rover Automotive plc is a public limited company incorporated under the laws of England and Wales. The business address of the directors and senior management of the Group is Banbury Road, Gaydon, CV35 0RR, England, United Kingdom.

FUTURE DEVELOPMENTS

Future developments impacting the Group are disclosed in the Strategic report from page 9.

DIVIDENDS

No dividends were paid during the year ended 31 March 2024. (For the year ended 31 March 2023 and 2022: £nil).

In May 2024, the Directors proposed and the Company paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

DIRECTORS

Directors currently serving on the Company's Board of Directors are set out on page 59.

DIRECTORS' INDEMNITIES

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year; these remain in force at the date of this report.

MATERIAL INTERESTS IN SHARES

The Company is a wholly owned subsidiary of Tata Motors Limited, held through TML Holdings Pte. Ltd. (Singapore).

SHARE CAPITAL

See note 31 to the consolidated financial statements on page 123 for further details.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement is set out from page 50 and is incorporated by reference into this report.

BRANCHES

The Group has 9 branches that exist and operate outside of the UK, based in China and the United Arab Emirates.

RESEARCH AND DEVELOPMENT

The Group is committed to an ongoing programme of expenditure on research and development activities as disclosed in note 11 to the consolidated financial statements on page 103.

FINANCIAL INSTRUMENTS

The disclosures required in relation to the use of financial instruments by the Group, together with details of the Group's and Company's treasury policy and management, are set out in note 37 to the consolidated financial statements on pages 132 to 143 and in note 53 on pages 151 to 153 of the parent company financial statements.

EMPLOYEE INFORMATION

The average number of employees within the Group is disclosed in note 7 to the consolidated financial statements on pages 101 and 102. Apart from determining that an individual has the ability to carry out a particular role, the Group does not discriminate in any way. It endeavours to retain employees if they become disabled, making reasonable adjustments to their role and, if necessary, looking for redeployment opportunities within the Group. The Group also ensures that training, career development and promotion opportunities are available to all employees irrespective of gender, race, age or disability.

EMPLOYEE INVOLVEMENT

Details of how the Group involves its employees are contained in the Strategic report on pages 9 to 69, which are incorporated by reference into this report.

POLITICAL INVOLVEMENT AND CONTRIBUTIONS

The Group respects an employee's right to use their own time and resources to participate as individual citizens in political and governmental activities of their choice. The Group itself operates under legal limitations on its ability to engage in political activities and, even where there are no legal restrictions, the Group does not typically make contributions to political candidates or political parties, or permit campaigning on its property by political candidates (including those who work for the Group) or persons working on their behalf. There have not been any political donations in any of the periods covered by these financial statements.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report. The financial position of the Group, including details of the Group's liquidity, available financing facilities and the maturity of facilities is described in note 27 to the consolidated financial statements.

In addition, note 37 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its exposures to interest rate risk, foreign currency risk, credit risk and liquidity risk; and gives details of the Group's financial instruments and hedging activities.

The Group has assessed its projected cash flows for the twelve-month period from the date of authorisation of the financial statements (the 'going concern assessment period') and has carried out a reverse stress test against this base case to determine the performance level that would result in a breach of covenants.

The base case assumes a steady improvement in wholesale volumes, with associated increase in EBIT in the going concern assessment period compared to previous 12 months reflecting the easing of supply and production constraints that existed in previous periods and eased over the course of the year ended 31 March 2024.

Within the going concern assessment period there is a £1 billion minimum quarter-end liquidity covenant attached to the Group's UKEF loans for the entire period and to the RCF with a maturity date of April 2026. Details of the scenarios and assumptions used in the assessment as at 31 March 2024 are set out in note 2 to the consolidated financial statements on page 92.

The Group forecasts sufficient funds to meet its liabilities as they fall due throughout the going concern assessment period, without breaching any relevant covenants nor the need for any mitigating actions, new funding, or drawing on its RCF facility and considers the stress test scenario so remote as to not be plausible. Consequently, the directors consider that adequate resources exist for the Group and parent company to continue operating for the going concern assessment period. Accordingly, the directors continue to adopt the going concern basis in preparing these consolidated and parent company financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

There have been no material subsequent events between the balance sheet date and the date of signing this report.

CODE OF CONDUCT

Directors and employees are required to comply with the Jaguar Land Rover Code of Conduct, which is intended to help them put the Group's ethical principles into practice. The Code of Conduct clarifies the basic principles and standards they are required to follow and the behaviour expected of them. The Code of Conduct can be found at www.jaguarlandrover.com.

Employees, contract staff, third parties with whom the Group has a business relationship (such as retailers, suppliers and agents), and any member of the public may raise ethical and compliance concerns to the Group's global helpline or via group.compliance@jaguarlandrover.com.

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Pursuant to section 54 of the Modern Slavery Act 2015, the Group has published a slavery and human trafficking statement for the year ended 31 March 2024. The statement sets out the steps that the Group has taken to address the risk of slavery and human trafficking occurring within its own operations and its supply chains. This statement can be found on the corporate website at www.jaguarlandrover.com.

WHISTLEBLOWING POLICY

The Group's whistleblowing policy encourages employees to report, in confidence and anonymously if preferred, concerns about suspected impropriety or wrongdoing in any matters affecting the business.

An independent hotline exists to facilitate this process. Any matters reported are thoroughly investigated and escalated to the Unusual Events Committee.

GLOBAL DIVERSITY, EQUITY AND INCLUSION POLICY

Diversity, Equity and Inclusion continues to form a core part of the Group's global business strategy. The diverse perspectives of our employees form the foundation of a strong and dynamic company. See page 38 for further details.

GREENHOUSE GAS EMISSIONS

The Group is committed to reducing greenhouse gas emissions and continues to invest heavily in this activity. See pages 26 to 49 for further details.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. The Group and parent Company financial statements have been prepared in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure Of Information To Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware, and each director has taken all the steps that they ought to have taken as director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

A resolution to reappoint KPMG LLP as auditor of the Group is to be proposed at the 2024 Tata Motors Limited Annual General Meeting.

Acknowledgement

The directors wish to convey their appreciation to all employees for their continued commitment, effort and contribution in supporting the delivery of the Group's performance. The directors would also like to extend their thanks to all other key stakeholders for their continued support of the Group and their confidence in its management.

The Annual Report contains a number of links that signpost to complimentary information. This complimentary information does not form part of the Annual Report.

The Annual Report on pages 1 to 159, consisting of the Strategic Report, the Directors Report, and the Financial Statements, was approved by the Jaguar Land Rover Automotive plc Board and authorised for issue on 31 May 2024 and signed on its behalf by:



ADRIAN MARDELL

CHIEF EXECUTIVE OFFICER

Jaguar Land Rover Automotive plc

31 May 2024



INDEPENDENT AUDITOR'S
REPORT

INDEPENDENT AUDITOR’S REPORT



TO THE MEMBERS OF JAGUAR LAND ROVER AUTOMOTIVE PLC

1. OUR OPINION IS UNMODIFIED

We have audited the financial statements of Jaguar Land Rover Automotive PLC (“the Company”) for the year ended 31st March 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Expense, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, the parent Company Balance Sheet, the parent Company Statement of Changes in Equity, the parent Company Cash Flow Statement, and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the parent Company’s affairs as at 31 March 2024 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

OVERVIEW		
Materiality:	£135m (2023: £90m)	
Group financial statements as a whole	0.5% (2023: 0.4%) of group revenue	
Coverage	84% (2023: 83%) of Group Revenue	
Key audit matters	vs 2023	
Recurring risks	Impairment of property plant and equipment, intangible, and right-of use non-current assets:	▼
	Capitalisation of product engineering costs	◀▶
	Valuation of defined benefit plan obligations	◀▶
	New: Recognition of UK deferred tax asset	▲
Parent Company key audit matter	Recoverability of parent Company investment in subsidiaries and intra- group debtors	◀▶

2. KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which

had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

The risk		Our response
<p>Impairment of property plant and equipment, intangible, and right-of use non-current assets</p> <p>(£11,738 million; 2023: £11,258 million)</p> <p><i>Carrying value of property plant and equipment, intangible, and right-of-use non-current assets</i></p> <p><i>Refer to note 20</i></p>	<p>Forecast-based assessment</p> <p>The Group holds a significant amount of property, plant and equipment, intangible assets and right-of-use assets on its balance sheet. The cash generating unit (CGU) of which these assets form a part contains certain intangible assets which are not subject to amortisation and so an annual impairment review is required.</p> <p>The recoverable amount of the CGU is calculated based on its value in use, which requires management to make highly judgmental assumptions about the future. This presents a significant risk due to error and management bias.</p> <p>In particular, there are execution risks associated with the Group's transition to Battery Electric Vehicles ("BEV") resulting from its previously announced 'Reimagine' strategy and economic uncertainty resulting from geo-political factors that could impact demand or supply.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the calculation of the value in use of CGU to which property, plant and equipment, intangible assets, and right-of-use assets are allocated has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. In conducting our final audit work, we concluded that reasonably possible changes to the value in use of the CGU would not be expected to result in a material impairment.</p>	<p>We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included:</p> <ul style="list-style-type: none">▪ Historical accuracy: Evaluated historical forecasting accuracy of discounted cash flow forecasts, including key assumptions, by comparing them to the actual results. Key assumptions include volumes, variable profit , execution risk adjustments, terminal value capital expenditure and discount rate.▪ Historical comparison: Assessed the appropriateness of the Group's key assumptions used in the discounted cash flow forecasts by comparing those, where appropriate, to historical trends.▪ Our industry expertise: Assessed the appropriateness of the Group's estimated value in use amount by comparing the implied trading multiples to market multiples of comparative companies with the assistance of our valuation specialists. <p>Assessed and critically challenged the appropriateness of the Group's assumptions used in the cash flow projections by comparing key assumptions to relevant internal and external data sources.</p> <p>Compared the Group's discount rate and long-term growth rate to external benchmark data and comparative companies and re-performed the discount rate calculation using the capital asset pricing model with the assistance of our valuation specialists.</p> <ul style="list-style-type: none">▪ Sensitivity analysis: Performed a sensitivity analysis on key assumptions.▪ Comparing valuations: Assessed the Group's reconciliation between the estimated market capitalisation of the Group, by reference to the overall market capitalisation of the Tata Motors Limited Group and compared to the estimated recoverable amount of the cash generating unit.▪ Update to period end: Assessed whether there had been events having a significant effect on the value in use measurement after the date of the impairment test (31 January 2024) but before the end of the reporting period.▪ Assessing transparency: Assessed whether the Group's disclosures about the sensitivity relating to key assumptions on the valuation of property, plant and equipment, intangible assets, and right-of-use non-current assets are adequate.

	The risk	Our response
<p>Capitalisation of product engineering costs</p> <p>(£1,538 million; 2023: £671 million)</p> <p><i>Refer to note 20</i></p>	<p>Accounting treatment</p> <p>The Group has historically capitalised a high proportion of product development cost and there is a key judgement in determining whether the nature of the product engineering costs (e.g. capitalised central overheads) satisfy the criteria for capitalisation to 'Intangible Assets, Product Development In Progress', when this capitalisation should commence, and whether capitalisation should continue.</p> <p>The judgement of whether capitalisation should continue requires the satisfaction of a number of IAS 38 capitalisation criteria and a key judgement in assessing whether development projects will generate probable future economic benefit. There are a number of projects which met the capitalisation gateway prior to this financial year and which have incurred material levels of development spend in the current financial year. These projects include those related to the Group's transition to Battery Electric Vehicles (BEV) resulting from its previously announced "Reimagine" strategy. This has elevated the risk in relation to the on-going capitalisation of costs. Few projects have commenced capitalisation for the first time in the current year. This has reduced the risk in relation to the current year timing of capitalisation judgement such that it does not form part of our key audit matter in the current year.</p> <p>It is also noted that there is a risk of fraud around the allocation of directly attributable expenditure to the correct project codes to ensure appropriate costs are being capitalised.</p> <p>The financial statements (note 20) disclose an amount of £149 million (2023: £77 million) to represent what the reduction in the amount capitalised would be if the value of central overheads had not been identified by the Directors as being eligible for capitalisation.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> ▪ Control operation: Tested controls including in relation to the Directors' assessment as to whether product engineering costs are eligible for capitalisation. ▪ Personnel interviews: Corroborated judgements made by the Directors around the continuation of capitalisation of product engineering costs through discussions with project level staff. ▪ Our sector experience: Critically assessed the Directors' judgements regarding product engineering costs identified by the Directors as being eligible for capitalisation against both the accounting standards and our experience of practical application of these standards in other companies. ▪ Consider alternatives: Critically assessed internal consistency between assumptions used in the Group's assessment of economic viability on key development projects and assumptions used in cash flow forecasts in calculation of Group's value in use assessed through our response to the significant risk of 'Impairment of property plant and equipment, intangible, and right-of use noncurrent assets. ▪ Tests of details: For a sample of product engineering costs identified by the Directors as being eligible for capitalisation, agreed that their nature was consistent with the description of the account to which those costs were recorded, and the timing of recognition was appropriate. In addition, we inspected any reallocations from accounts ineligible for capitalisation to accounts that are eligible as capitalised project engineering costs, which we would consider to meet the criteria of a high risk journal, and obtained evidence to confirm appropriateness. ▪ Assessing transparency: Assessed the adequacy of the Group's disclosures in respect of the key judgements made.

	The risk	Our response
<p>Valuation of defined benefit plan obligations</p> <p><i>£5,104 million (2023: £5,089 million)</i></p> <p><i>Refer to note 34</i></p>	<p>Subjective valuation</p> <p>Small changes in the key assumptions applied to the valuation of the liabilities, being the discount rate, inflation rate and mortality/life expectancy used to value the Group's pension obligation (before deducting scheme assets) would have a significant effect on the Group's net pension surplus. The risk is that these assumptions are inappropriate resulting in an inappropriate valuation of plan liabilities.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that valuation of the pension obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 34) disclose the sensitivity estimated by the Group.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> ▪ Control operation: Tested controls operating over the assumptions applied in the valuation and inspected the Group's annual validation of the assumptions used by its actuarial expert. Tested the Group's controls operating over selection and monitoring of its actuarial expert for competence and objectivity. ▪ Benchmarking assumptions: Challenged, with the support of our own actuarial specialists, the key assumptions applied to the valuation of the liabilities, being the discount rate, inflation rate and mortality/life expectancy against externally derived data. ▪ Assessing actuaries' credentials: Evaluated the competency, capability and objectivity of the Group's external experts who assisted in determining the actuarial assumptions used to determine the defined benefit obligation. ▪ Assessing transparency: Considered the adequacy of the Group's disclosures in respect of the sensitivity of the Groups' net defined benefit plan asset to these assumptions.

	The risk	Our response
<p>Recognition of UK deferred tax asset</p> <p>UK portion of the deferred tax asset tax loss of £891 million (2023: £233 million)</p> <p><i>Refer to note 15</i></p>	<p>Forecast-based assessment</p> <p>The Group previously had significant unused tax losses for which no deferred tax asset was recognised. These losses arose mostly in the UK. Improved UK trading has led to UK taxable profits becoming available which, when taken with probable, forecast UK taxable profits are 'projected to be' sufficient to fully utilise those past UK taxable losses. A deferred tax asset has been recognised in the current year in respect of remaining, past UK taxable losses.</p> <p>There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are, or are not, recognised.</p> <p>There is judgement involved in determining the extent to which it is probable that future profits will arise to utilise the net deferred tax asset.</p> <p>The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the recoverable amount of deferred tax assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. In conducting our final audit work, we concluded that reasonably possible changes to the recoverable amount of deferred tax assets would not be expected to result in material derecognition.</p>	<p>We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included:</p> <ul style="list-style-type: none"> ▪ Assessing forecasts: Our work over the Group's forecasts is principally based on the work described in the 'Impairment of property plant and equipment, intangible, and right-of use non-current assets' risk on page 76; ▪ Our tax expertise: Use of our own tax specialists to assist us in assessing the recoverability of the tax losses against the forecast future taxable profits, taking into account the Group's tax position, the timing of forecast taxable profits, and our knowledge and experience of the application of relevant tax legislation; and ▪ Assessing transparency: Assessing the adequacy of the Group's disclosures about the sensitivity of the recognition of deferred tax assets to changes in key assumptions reflected in the inherent risk.

	The risk	Our response
Recoverability of parent Company investment in subsidiaries and intra-group debtors <i>Investment in subsidiaries £1,655 million; (2023: £1,655 million)</i> <i>Intra-group debtors £4,872 million; (2023: £6,044 million)</i>	Low risk, high value The carrying amount of the parent Company's investment in its subsidiary, which acts as an intermediate holding company for the rest of the parent Company's subsidiaries, represents 25% (2023: 21%) of the parent Company's assets. The carrying amount of the intra-group debtors balance comprises the remaining 74% (2023: 79%). Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality and in the context of the parent Company financial statements this is considered to be one of the areas that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the group's controls because the small number of transactions meant that detailed testing is inherently the most effective means of obtaining audit evidence. Our procedures included: <ul style="list-style-type: none">▪ Tests of detail: Compared the combined carrying amount of the parent Company's investment and intra-group receivables with the Group's value in use assessed through our response to the significant risk of 'Impairment of property plant and equipment, intangible, and right-of use non-current assets' to identify whether its value in use, was in excess of its carrying amount.▪ Assessing subsidiary audits: Assessed the work performed as part of the group audit over the subsidiaries' profits and net assets.▪ Comparing valuations: Compared the carrying amount of the investment in the subsidiary to the Group's estimated market capitalisation of its ultimate parent, adjusted to exclude the liabilities of the parent Company and net assets of companies outside the Group, being an approximation of the recoverable amount of the investment.

We continue to perform procedures over Going Concern. However, in light of the continuation of improved financial performance and short-term forecasting accuracy we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the Group financial statements as a whole was set at £135 million (2023: £90 million), determined with reference to a benchmark of Group revenue of £28,995 million (2023: £22,809 million) of which it represents 0.5% (2023: 0.4%).

We consider Group revenue to be the most appropriate benchmark, as it provides a more stable measure year on year than Group profit or loss before tax.

Materiality for the parent Company financial statements as a whole was set at £64 million (2023: £70 million), determined with reference to a benchmark of the parent Company total assets of £6,534 million (2023: £7,708 million), of which it represents 0.98% (2023: 0.78%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 65%) of materiality for the financial statements as a whole, which equates to £101 million (2023: £59 million) for the group and £48 million (2023: £39 million) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £6.8 million (2023: £4.5 million) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 38 (2023: 38) reporting components, we subjected 4 (2023: 4) to full scope audits for group purposes and 5 (2023: 4) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes but did present specific individual risks that needed to be addressed.

The components within the scope of our work accounted for the percentages illustrated on the next page.

The remaining 16% (2023: 17%) of total Group revenue, 5% (2023: 8%) of the total profits and losses that made up Group profit before tax, 5% (2023: 9%) of the total profits and losses that made up Group profit before exceptional items and tax and 6% (2023: 9%) of total Group assets are represented by 29 (2023: 30) reporting components, none of which individually represented more than 2% (2023: 3%) of any of total Group revenue, total profits and losses that made up Group profit before tax, total profits and losses that made up Group profit before exceptional items and tax or total Group assets. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £9.8 million to £117 million (2023: £6.5 million to £78 million), having regard to the mix of size and risk profile of the Group across the components.

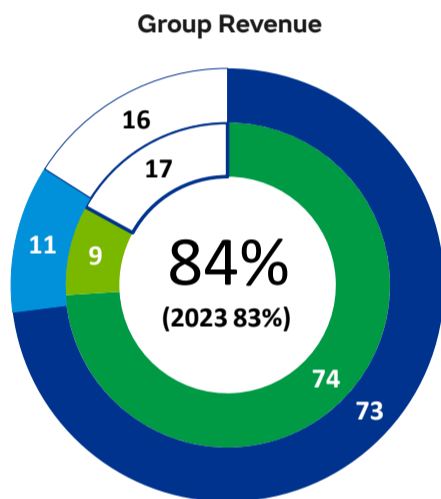
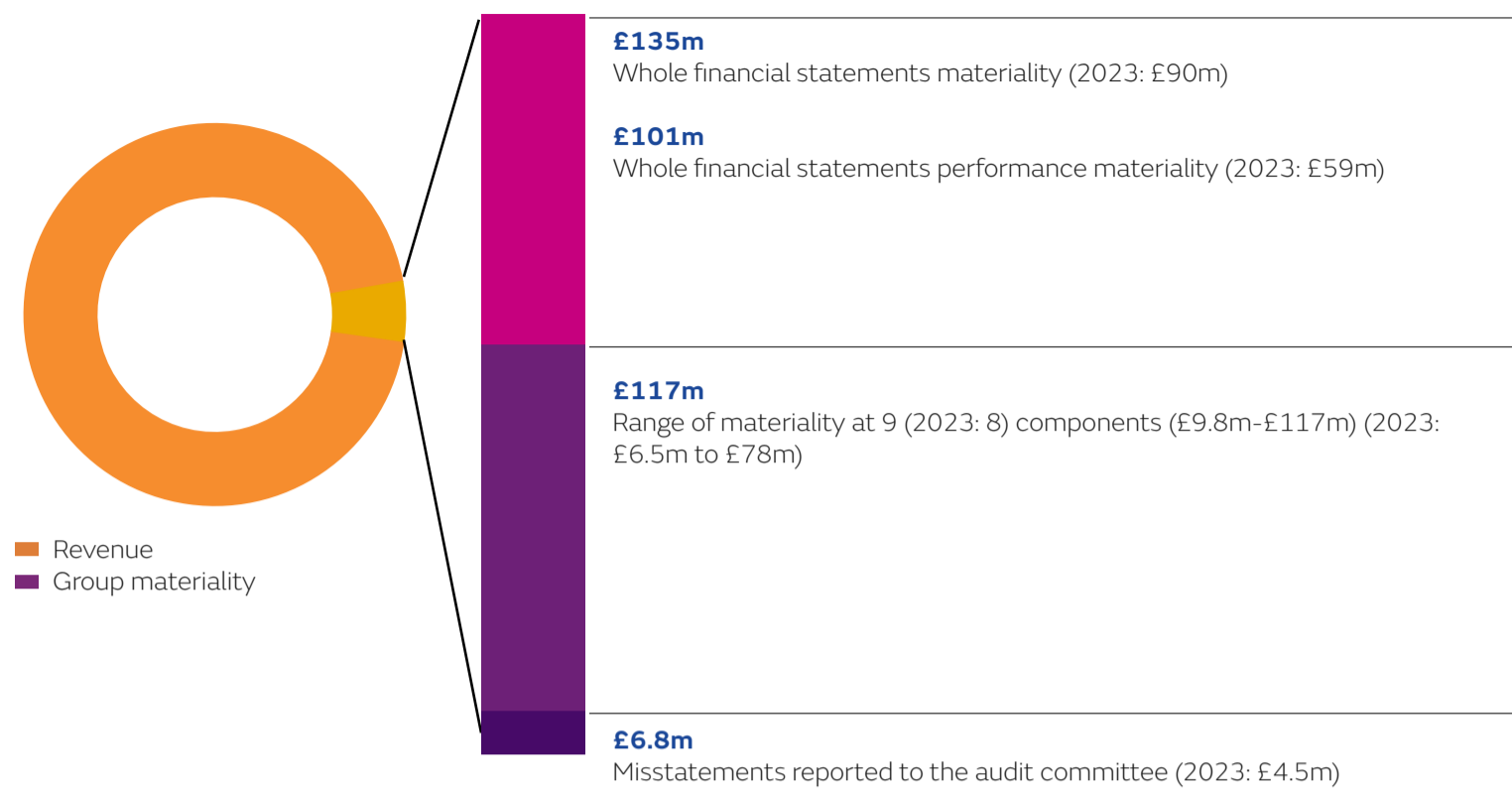
The work on 6 of the 9 (2023: 5 of the 8) components was performed by component auditors and the rest, including the audit of the parent Company, was performed by the Group team.

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

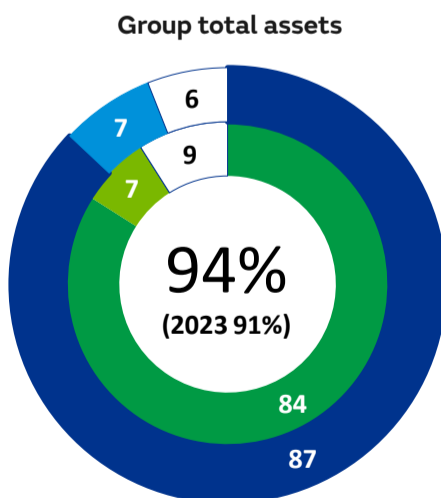
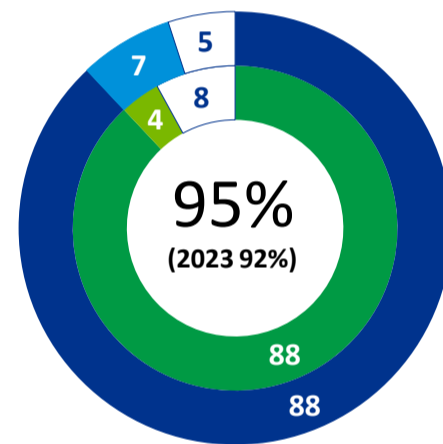
The Group team visited 5 (2023: 5) overseas component locations to assess the audit risk and strategy. Video and telephone conference meetings were also held with these component auditors. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

Group Revenue
£28,995m (2023: £22,809m)

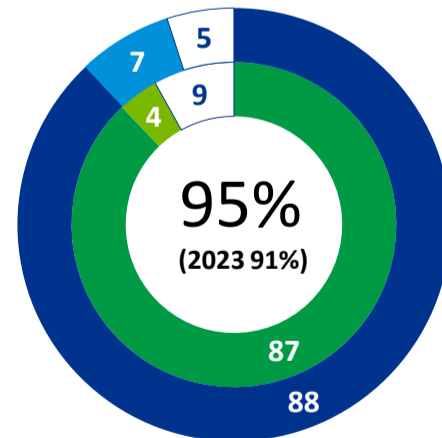
Group Materiality
£135m (2023: £90m)



Total profits and losses that made up Group loss before tax



Total profits and losses that made up Group loss before exceptional items and tax



- Full scope for group audit purposes 2024
- Specified risk-focused audit procedures 2024
- Full scope for group audit purposes 2023
- Specified risk-focused audit procedures 2023
- Residual components

4. GOING CONCERN

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were geopolitical risks affecting demand in certain markets or supply from those markets.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Company's current and projected cash and facilities (a reverse stress test).

We critically assessed assumptions in the base case and downside scenarios relevant to liquidity and covenant metrics, in particular in relation to the impact of the risks noted above on wholesale volumes by comparing to third-party volume forecasts and overlaying knowledge of the entity's plans based on approved budgets and our knowledge of the entity and the sector in which it operates.

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities. We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the audit committee, internal audit and certain senior managers as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular: the risk that Group and component management may be in a position to make inappropriate accounting entries; the risk of bias in accounting estimates and judgements; and the risk that new vehicle revenue is overstated through recording revenues in the incorrect period.

We also identified fraud risks related to inappropriate capitalisation of development costs and inappropriate impairment assumptions in relation to the value in use estimate, in response to possible pressures to meet profit targets. Our response in respect of the identified fraud risk related to inappropriate capitalisation of development costs is set out in the procedures described in the key audit matter disclosure in section 2 of this report.

Our response in respect of the identified fraud risk related to inappropriate impairment assumptions is set out in the procedures described in the key audit matter disclosure in section 2 of this report including specifically our critical challenge of management's estimates with reference to external data.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all relevant full scope components based on risk criteria tailored for the risks at each component and comparing the identified entries to supporting documentation. Examples of the criteria applied include those posted by senior finance management, those posted and approved by the same user, those posted to unusual accounts, and those in relation to inappropriate capitalisation as discussed in the key audit matter disclosure in section 2 of this report.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Assessing when revenue was recognised, particularly focusing on revenue recognised in the days before the year end date, and whether it was recognised in the correct year.
- Work on the fraud risks was performed by a combination of component auditors and the group audit team.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: product compliance, environmental, health and safety, data protection laws, bribery and corruption, employment law, competition laws and export controls, recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7. WE HAVE NOTHING TO REPORT ON THE OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 73, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

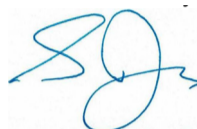
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Haydn-Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

31 May 2024



FINANCIAL
STATEMENTS

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Year ended 31 March (£ millions)	Note	2024	2023 Restated*	2022 Restated*
Revenue	5	28,995	22,809	18,320
Material and other cost of sales**	4, 6	(16,964)	(14,008)	(11,239)
Employee costs**	4, 7	(3,064)	(2,524)	(2,265)
Other expenses**	4, 10	(6,026)	(4,777)	(3,701)
Exceptional items	4	-	161	(43)
Other income	9	342	349	277
Engineering costs capitalised	11	1,453	727	455
Depreciation and amortisation	14	(2,175)	(2,107)	(2,021)
Foreign exchange (loss)/gain and fair value adjustments	12	(114)	(108)	140
Finance income	13	164	67	9
Finance expense (net)	13	(469)	(507)	(369)
Share of profit/(loss) of equity accounted investments	16	23	15	(18)
Profit/(loss) before tax		2,165	97	(455)
Income tax excluding impact of deferred tax asset recognition		(616)	(157)	(367)
Impact of deferred tax asset recognition		1,029	-	-
Income tax credit/(expense)	15	413	(157)	(367)
Profit/(loss) for the year		2,578	(60)	(822)
Attributable to:				
Owners of the Company		2,578	(60)	(818)
Non-controlling interests		-	-	(4)

*See note 2 for details of restatement as a result of a change in accounting policy.

**'Material and other cost of sales', 'Employee costs' and 'Other expenses' exclude the exceptional items explained in note 4.

The notes on pages 91 to 145 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

Year ended 31 March (£ millions)	Note	2024	2023	2022
Profit/(loss) for the year		2,578	(60)	(822)
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of net defined benefit obligation	34	(405)	(14)	707
Income tax related to items that will not be reclassified	15	101	4	(92)
		(304)	(10)	615
Items that may be reclassified subsequently to profit or loss:				
Gain/(loss) on cash flow hedges (net)		895	(135)	(896)
Currency translation differences		(47)	13	24
Income tax related to items that may be reclassified	15	(84)	(108)	205
		764	(230)	(667)
Other comprehensive income/(expense) net of tax		460	(240)	(52)
Total comprehensive income/(expense) attributable to shareholder		3,038	(300)	(874)
Attributable to:				
Owners of the Company		3,038	(300)	(870)
Non-controlling interests		-	-	(4)

The notes on pages 91 to 145 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March (£ millions)	Note	2024	2023 Restated*	2022 Restated*
Non-current assets				
Investments in equity accounted investees	16	328	329	321
Other non-current investments	17	52	43	30
Other financial assets	18	355	149	185
Property, plant and equipment	19	5,724	5,842	6,336
Intangible assets	20	5,406	4,864	5,119
Right-of-use assets	21	608	635	568
Pension asset	34	300	659	434
Other non-current assets	22	143	75	35
Deferred tax assets	15	1,157	357	336
Total non-current assets		14,073	12,953	13,364
Current assets				
Cash and cash equivalents		4,051	3,687	4,223
Short-term deposits and other investments		103	105	175
Trade receivables		1,236	1,013	722
Other financial assets	18	543	375	394
Inventories	24	3,751	3,238	2,781
Other current assets	22	657	607	493
Current tax assets		2	16	20
Assets classified as held for sale	25	54	62	4
Total current assets		10,397	9,103	8,812
Total assets		24,470	22,056	22,176
Current liabilities				
Accounts payable	26	7,113	5,891	5,144
Short-term borrowings	27	1,256	1,478	1,779
Other financial liabilities	28	885	923	870
Provisions	29	1,026	1,089	989
Other current liabilities	30	711	590	754
Current tax liabilities		125	110	116
Total current liabilities		11,116	10,081	9,652
Non-current liabilities				
Long-term borrowings	27	2,936	4,600	5,248
Other financial liabilities	28	758	1,123	871
Provisions	29	1,311	1,091	1,112
Retirement benefit obligation	34	22	22	25
Other non-current liabilities	30	957	772	660
Deferred tax liabilities	15	91	128	105
Total non-current liabilities		6,075	7,736	8,021
Total liabilities		17,191	17,817	17,673
Equity attributable to shareholders				
Ordinary share capital	31	1,501	1,501	1,501
Capital redemption reserve	31	167	167	167
Other reserves	32	5,611	2,571	2,835
Equity attributable to shareholders		7,279	4,239	4,503
Total liabilities and equity		24,470	22,056	22,176

*See note 2 for details of restatement as a result of a change in accounting policy.

The notes on pages 91 to 145 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 31 May 2024. They were signed on its behalf by:



ADRIAN MARDELL
CHIEF EXECUTIVE OFFICER
COMPANY REGISTERED NUMBER: 06477691

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£ millions	Ordinary share capital	Capital redemption reserve	Other reserves	Equity attributable to shareholder	Non- controlling interests	Total equity
Balance at 1 April 2021	1,501	167	3,586	5,254	9	5,263
Loss for the year	-	-	(818)	(818)	(4)	(822)
Other comprehensive expense for the year	-	-	(52)	(52)	-	(52)
Total comprehensive expense	-	-	(870)	(870)	(4)	(874)
Amounts removed from hedge reserve and recognised in inventory	-	-	147	147	-	147
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	-	(28)	(28)	-	(28)
Disposal of subsidiaries	-	-	-	-	(5)	(5)
Balance at 31 March 2022	1,501	167	2,835	4,503	-	4,503
Loss for the year	-	-	(60)	(60)	-	(60)
Other comprehensive expense for the year	-	-	(240)	(240)	-	(240)
Total comprehensive expense	-	-	(300)	(300)	-	(300)
Amounts removed from hedge reserve and recognised in inventory	-	-	45	45	-	45
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	-	(9)	(9)	-	(9)
Balance at 31 March 2023	1,501	167	2,571	4,239	-	4,239
Profit for the year	-	-	2,578	2,578	-	2,578
Other comprehensive income for the year	-	-	460	460	-	460
Total comprehensive income	-	-	3,038	3,038	-	3,038
Amounts removed from hedge reserve and recognised in inventory	-	-	3	3	-	3
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	-	(1)	(1)	-	(1)
Balance at 31 March 2024	1,501	167	5,611	7,279	-	7,279

The notes on pages 91 to 145 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March (£ millions)	Note	2024	2023	2022
Cash flows from operating activities				
Cash generated from operations	39	5,296	2,590	572
Income tax paid		(333)	(239)	(138)
Net cash generated from operating activities		4,963	2,351	434
Cash flows from investing activities				
Purchases of other investments		(7)	(7)	(4)
Investment in other restricted deposits		(25)	(42)	(41)
Redemption of other restricted deposits		27	43	39
Movements in other restricted deposits		2	1	(2)
Investment in short-term deposits and other investments		(285)	(849)	(1,104)
Redemption of short-term deposits and other investments		286	933	1,935
Movements in short-term deposits and other investments		1	84	831
Purchases of property, plant and equipment		(860)	(605)	(712)
Purchases of other assets acquired with view to resale		-	(24)	-
Proceeds from sale of fixed assets and assets held for sale		16	7	7
Cash outflow relating to intangible asset expenditure		(1,516)	(775)	(481)
Finance income received		158	62	8
Dividends received		2	-	-
Disposal of subsidiaries (net of cash disposed)		9	2	(10)
Net cash used in investing activities		(2,195)	(1,255)	(363)
Cash flows from financing activities				
Finance expenses and fees paid		(494)	(495)	(402)
Proceeds from issuance of borrowings		-	1,261	2,095
Repayment of borrowings		(1,752)	(2,426)	(1,347)
Payments of lease obligations		(74)	(72)	(71)
Net cash (used in)/generated from financing activities		(2,320)	(1,732)	275
Net increase/(decrease) in cash and cash equivalents		448	(636)	346
Cash and cash equivalents at beginning of year		3,687	4,223	3,778
Effect of foreign exchange on cash and cash equivalents		(84)	100	99
Cash and cash equivalents at end of year		4,051	3,687	4,223

The notes on pages 91 to 145 are an integral part of these consolidated financial statements.

1 BACKGROUND AND OPERATIONS

Jaguar Land Rover Automotive plc (“the Company”) and its subsidiaries are collectively referred to as “the Group” or “JLR”. The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Abbey Road, Whitley, Coventry, CV3 4LF, England, United Kingdom.

The Company is a subsidiary of Tata Motors Limited, India and acts as an intermediate holding company for the Jaguar Land Rover business. The principal activity during the year was the design, development, manufacture and marketing of high-performance luxury saloons, specialist sports cars and four-wheel drive off-road vehicles.

These consolidated financial statements have been prepared in Pound Sterling (GBP) and rounded to the nearest million GBP (£ million) unless otherwise stated. Results for the year ended and as at 31 March 2022 have been disclosed solely for the information of the users.

2 ACCOUNTING INFORMATION AND POLICIES

Statement of compliance

These consolidated and parent company financial statements have been prepared in accordance with UK-adopted international accounting standards. The Company has taken advantage of section 408 of the Companies Act 2006 and, therefore, the separate financial statements of the Company do not include the income statement or the statement of comprehensive income of the Company on a stand-alone basis.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value at the end of each reporting period as explained in the accounting policies in note 37.

Amendments and changes in accounting policies

Change in accounting policy – grant accounting

During the year ended 31 March 2024, the Group reviewed its accounting policy choice over the net presentation of grants relating to property, plant and equipment and intangible assets.

As a result, it was considered more appropriate to adopt a policy to present grants related to property, plant and equipment and intangible assets gross as separate liabilities instead of deducting them from the cost of the assets; and to present the unwind of the grant over the useful economic lives of the assets in ‘Other income’, rather than a reduction of ‘Depreciation and amortisation’.

Separate disclosure of amounts received for grants in relation to capital assets more closely aligns the presentation of assets in the consolidated balance sheet with the Group’s reported cash flows from investing activities; and improves transparency of the financial statements by allowing users to better understand the extent of grant income supporting investments. The policy is also aligned to that of the Group’s ultimate parent company and therefore enhances comparability with its other subsidiaries.

The prior year comparatives have been represented on this basis. The impact on the consolidated income statement for the years ended 31 March 2023 and 31 March 2022, and on the consolidated balance sheet at 31 March 2023 and 31 March 2022 are shown below:

(A) Consolidated income statement (extract)

£ millions	Year ended 31 March 2023			Year ended 31 March 2022		
	As reported	Restatement	Restated	As reported	Restatement	Restated
Other income	284	65	349	200	77	277
Depreciation and amortisation	(2,042)	(65)	(2,107)	(1,944)	(77)	(2,021)

(B) Consolidated balance sheet (extract)

£ millions	As at 31 March 2023			As at 31 March 2022		
	As reported	Restatement	Restated	As reported	Restatement	Restated
Non-current assets						
Property, plant and equipment	5,759	83	5,842	6,253	83	6,336
Intangible assets	4,600	264	4,864	4,866	253	5,119
Current liabilities						
Other current liabilities	(528)	(62)	(590)	(674)	(80)	(754)
Non-current liabilities						
Other non-current liabilities	(487)	(285)	(772)	(404)	(256)	(660)

There is no impact to profit/loss before or after taxation, reported equity, or net assets in any of the previous financial years. The revised accounting policy is in given note 9.

Change in accounting policy – deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12) during the year ending 31 March 2024. The amendments narrow the scope of the initial deferred tax recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. For example, leases and decommissioning liabilities.

The Group previously accounted for deferred tax on lease liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. There was no impact on the consolidated balance sheet because the balances qualify for offset under paragraph 74 of IAS 12. There was no impact on the opening retained earnings as at 1 April 2021 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 15).

Going concern

The consolidated financial statements have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Directors have assessed the financial position of the Group as at 31 March 2024, and the projected cash flows of the Group for the twelve-month period from the date of authorisation of the consolidated financial statements (the 'going concern assessment period').

The Group had available liquidity of £5.7 billion at 31 March 2024, £4.2 billion of which is cash with the remainder the undrawn RCF facility. Within the going concern assessment period there is a £1 billion minimum quarter-end liquidity covenant attached to the Group's UKEF loans and forward start RCF facility. There is £1.5 billion of maturing debt in the going concern assessment period and no new funding is assumed. Net debt was reduced by £2.3 billion in the year and the Group will continue to take action to reduce net debt in the future. Further details of the Group's available financing facilities and the maturity of facilities are described in note 27.

The Group has assessed its projected cash flows over the going concern assessment period. This base case uses the most recent Board-approved forecasts that include the going concern assessment period. The base case assumes a steady improvement in wholesale volumes, with associated increases in EBIT in the going concern assessment period compared to the previous 12 months reflecting the easing of supply and production constraints that existed in previous periods and eased over the course of the year ended 31 March 2024.

The Group has carried out a reverse stress test against the base case to determine the decline in wholesale volumes over a twelve-month period that would result in a liquidity level that breaches the £1 billion liquidity financial covenant. The reverse stress test assumes optimisation of production to maximise production of higher margin products.

In order to reach a liquidity level that breaches covenants, it would require a sustained decline in wholesale volumes of 62% compared to the base case over a 12-month period. The reverse stress test reflects the variable profit impact of the wholesale volume decline, and assumes all other assumptions are held in line with the base case. It does not reflect other potential upside measures that could be taken in such a reduced volume scenario; nor any new funding.

The Group does not consider this scenario to be plausible given that the stress test volumes are significantly lower than the volumes achieved during both the peak of the COVID-19 pandemic and the worst quarter of semiconductor shortages. The Group has a strong order bank and is confident that it can significantly exceed reverse stress test volumes.

The Group has also considered the impact of severe but plausible downside scenarios, including scenarios that reflect a decrease in variable profit per unit compared with the base case to include additional increases in material and other related production costs. The expected wholesale volumes under all of these scenarios are higher than under the reverse stress test.

The Directors, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, consider that the Group has adequate financial resources to continue operating throughout the going concern assessment period, meeting its liabilities as they fall due. Accordingly, the Directors continue to adopt the going concern basis in preparing these consolidated financial statements.

Accounting policies

Accounting policies are included in the relevant notes to the consolidated financial statements. These are presented as text highlighted in orange boxes on pages 98 to 145. The accounting policies below and on the next page are applied throughout the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

Climate change

In the preparation of these consolidated financial statements, the Group has considered the potential effects of climate change, related regulatory requirements and of the targets set out in the Group's Strategic Report. Where relevant, these are included within assumptions and estimates used to determine the carrying value of assets and liabilities at 31 March 2024. In particular, the Group has considered the impact on the future cash flows used in the impairment assessment of its cash-generating unit (see note 20); and on its provisions for the costs of compliance with emission regulations (see note 29).

In addition, there are other areas of the consolidated financial statements that may be impacted by climate-related risks. These are not considered to be key areas of judgement or to contain material estimation uncertainty and the impact of climate-related matters is not material on any of these areas as at 31 March 2024. These areas are outlined below and on the next page:

Recoverability of trade receivables

Climate related matters could impact the Group's customers and subsequently their ability to pay amounts owed to the Group. There have been no material climate-related matters during the year that have impacted the recoverability of receivables, and the Group continues to monitor recoverability on an ongoing basis and does not deem this to be a material risk or judgement.

Useful lives of assets

Climate related matters could reduce the useful life of assets for example due to physical or legal risks resulting in accelerated depreciation or amortisation recognised each financial year. From a review of the useful lives of assets, there is deemed to be no material impact from climate related matters.

Inventory valuation

The value of inventories could be impacted by climate related matters, resulting in obsolescence or the need to recognise additional provisions. After reviewing inventory valuation as at 31 March 2024, inventory is deemed appropriately valued when taking into consideration climate related matters.

Basis of consolidation**Subsidiaries**

The consolidated financial statements include Jaguar Land Rover Automotive plc and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) is exposed or has rights to variable return from its involvement with the investee and (c) has the ability to affect those returns through its power to direct relevant activities of the investee. Relevant activities are those activities that significantly affect an entity's returns. In assessing control, potential voting rights that currently are exercisable are taken into account, as well as other contractual arrangements that may influence control. Intercompany transactions and balances including unrealised profits are eliminated in full on consolidation.

Joint ventures and associates (equity accounted investments)

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of the investee unless it can be clearly demonstrated that this is not the case.

The results, assets and liabilities of joint ventures and associates are incorporated in these financial statements using the equity method of accounting as described in note 16.

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditures are capitalised, where appropriate, in accordance with the policy for internally generated intangible assets and represent employee costs and other expenses incurred for product development undertaken by the Group.

Material and other cost of sales as reported in the consolidated income statement is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

Foreign currency

The Company has a functional currency of GBP. The presentation currency of the consolidated financial statements is GBP.

Transactions in currencies other than the functional currency of the entity are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the consolidated income statement as "Foreign exchange (loss)/gain and fair value adjustments".

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (non-GBP functional currency) are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Impairment**Property, plant and equipment and intangible assets**

At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment indicator exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of sale and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

An asset (or cash-generating unit) impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment losses recognised in prior years.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those that are significant to the Group are discussed separately below.

Judgements

In the process of applying the Group's accounting policies management has made the following judgements which have a significant effect on the amounts recognised in the consolidated financial statements:

- Revenue recognition: The Group uses judgement to determine when control of its goods, primarily vehicles and parts, pass to the customer. This is assessed with reference to indicators of control, including the risks and rewards of ownership and legal title with reference to the underlying terms of the customer contract. Refer to note 5 for further information.
- Assessment of cash-generating units: The Group has determined that there is one cash-generating unit. This is on the basis that there are no smaller groups of assets that can be identified with certainty that generate specific cash inflows that are independent of the inflows generated by other assets or groups of assets. Refer to note 20 for further information.
- Alternative performance measures (APMs) and exceptional items: The Group exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive APMs that provide additional useful information on the underlying trends and in classifying items as exceptional items. Refer to notes 3 and 4 for further information.
- Capitalisation of product engineering costs: The Group applies judgement in determining at what point in a vehicle programme's life cycle the recognition criteria under IAS 38 are satisfied, and in determining the nature of the cost capitalised. Refer to note 20 for further information.
- Deferred tax asset recognition: The extent to which deferred tax assets can be recognised is based on an assessment of the availability of future taxable income against which the deductible temporary differences and tax loss carry-forwards can be utilised. The Group has exercised judgement in determining the jurisdictions in which deferred tax assets have not been fully recognised. This has been done based on forecast profitability and historical results of the companies in which the deferred tax assets arise. Refer to note 15 for further information.

Estimates and assumptions

The areas where assumptions and estimates are significant to the financial statements are as described below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

Significant estimates

Impairment of intangible and tangible fixed assets

The Group has intangible assets with indefinite lives and therefore tests annually whether intangible and tangible fixed assets have suffered any impairment. Refer to note 20 for further information on the key assumptions and sensitivities used in the testing of these assets for impairment.

Retirement benefit obligation

The present value of the post-employment benefit obligation depends on a number of factors and assumptions, including discount rate, inflation and mortality assumptions. Refer to note 34 for details of these assumptions and sensitivities.

Deferred tax asset recognition

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax assets can be utilised. The Group has recognized £1,029 million of deferred tax assets as at 31 March 2024, relating to tax losses and other tax assets. Refer to Note 15 for further information on the key estimate and assumptions used in the recognition of previously unrecognised deferred tax assets.

The financial statements also include estimates that may materially affect carrying amounts of assets and liabilities in the longer term. These are:

- Product warranties: refer to note 29 for further information.
- Depreciation (expected useful life): refer to note 19 for further information.

New accounting policy pronouncements

(a) Standards, revisions and amendments to standards and interpretations applied for the first time in the year ending 31 March 2024

The following amendments and interpretations have been adopted by the Group in the year ending 31 March 2024:

- Amendments to IAS 12 Income Taxes – deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 Income Taxes – International tax reform – Pillar Two model rules;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates;
- Amendments to IAS 1 Presentation of Financial Statements – disclosure of accounting policies;
- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 Insurance Contracts; and
- Initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments – comparative information.

The impact of the adoption of amendments to IAS 12 Income Taxes – deferred tax related to assets and liabilities arising from a single transaction during the year ending 31 March 2024 is given in the Amendments and changes in accounting policies section of note 2 and in note 15. The adoption of the other amendments and interpretations has not had a significant impact on the consolidated financial statements.

(b) Standards, revisions and amendments to standards and interpretations not yet effective and not yet adopted by the Group

The following pronouncements, issued by the IASB and endorsed by the UK, are not yet effective and have not yet been adopted by the Group. These amendments are effective for annual report periods beginning on or after 1 January 2024:

- Amendments to IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Disclosures – supplier finance arrangements;
- Amendments to IAS 1 Presentation of Financial Statements – Classification of liabilities as current or non-current;
- Amendments to IAS 1 Presentation of Financial Statements – Non-current liabilities with covenants; and
- Amendments to IFRS 16 Leases – lease liability in a sale and leaseback.

The Group is currently assessing the impact of these pronouncements on the consolidated financial statements.

(c) Standards, revisions and amendments to standards and interpretations not yet endorsed by the UK and not yet adopted by the Group

The following pronouncement, issued by the IASB, has not yet been endorsed by the UK, is not yet effective and has not yet been adopted by the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – lack of exchangeability.

3 ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information, the Group presents alternative performance measures (“APMs”) that are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. The APMs used within this Annual Report are defined below.

Alternative performance measure	Definition
Adjusted EBITDA	Adjusted EBITDA is defined as profit/(loss) before: income tax expense; exceptional items; finance expense (net of capitalised interest) and finance income; gains/losses on debt and unrealised derivatives, realised derivatives entered into for the purpose of hedging debt, and equity or debt investments held at fair value; foreign exchange gains/losses on other assets and liabilities, including short-term deposits and cash and cash equivalents; share of profit/(loss) from equity accounted investments; depreciation and amortisation.
Adjusted EBIT	Adjusted EBIT is defined as for adjusted EBITDA but including share of profit/(loss) from equity accounted investments, depreciation and amortisation.
Profit/(loss) before tax and exceptional items	Profit/(loss) before tax excluding exceptional items.
Free cash flow	Net cash generated from operating activities less net cash used in automotive investing activities, excluding investments in joint ventures, associates and subsidiaries and movements in financial investments, and after finance expenses and fees paid. Financial investments are those reported as cash and cash equivalents, short-term deposits and other investments, and equity or debt investments held at fair value.
Total product and other investment	Cash used in the purchase of property, plant and equipment, intangible assets, investments in equity accounted investments and other trading investments, acquisition of subsidiaries and expensed research and development costs.
Working capital and accruals	Changes in assets and liabilities as presented in note 39. This comprises movements in assets and liabilities excluding movements relating to financing or investing cash flows or non-cash items that are not included in adjusted EBIT or adjusted EBITDA.
Total cash and cash equivalents, deposits and investments	Defined as cash and cash equivalents, short-term deposits and other investments, marketable securities and any other items defined as cash and cash equivalents in accordance with IFRS.
Available liquidity	Defined as total cash and cash equivalents, deposits and investments plus committed undrawn credit facilities.
Net debt	Total cash and cash equivalents, deposits and investments less total interest-bearing loans and borrowings.
Retail sales	Jaguar Land Rover retail sales represent vehicle sales made by dealers to end customers and include the sale of vehicles produced by our Chinese joint venture, Chery Jaguar Land Rover Automotive Company Ltd.
Wholesales	Wholesales represent vehicle sales made to retailers or other external clients. The Group recognises revenue on wholesales.

The Group uses adjusted EBITDA as an APM to review and measure the underlying profitability of the Group on an ongoing basis for comparability as it recognises that increased capital expenditure year on year will lead to a corresponding increase in depreciation and amortisation expense recognised within the consolidated income statement.

The Group uses adjusted EBIT as an APM to review and measure the underlying profitability of the Group on an ongoing basis as this excludes volatility on unrealised foreign exchange transactions. Due to the significant level of debt and currency derivatives held, unrealised foreign exchange can distort the financial performance of the Group from one period to another.

Free cash flow is considered by the Group to be a key measure in assessing and understanding the total operating performance of the Group and to identify underlying trends.

Total product and other investment is considered by the Group to be a key measure in assessing cash invested in the development of future new models and infrastructure supporting the growth of the Group.

Working capital is considered by the Group to be a key measure in assessing short-term assets and liabilities that are expected to be converted into cash within the next twelve-month period; as well as over the longer term.

Total cash and cash equivalents, deposits and investments and available liquidity are measures used by the Group to assess liquidity and the availability of funds for future spend and investment.

Exceptional items are defined in note 4.

Reconciliations between these alternative performance measures and statutory reported measures are given on the next page.

Adjusted EBIT and Adjusted EBITDA

Year ended 31 March (£ millions)	Note	2024	2023 Restated*	2022 Restated*
Adjusted EBITDA		4,620	2,636	1,973
Depreciation and amortisation		(2,175)	(2,107)	(2,021)
Share of profit/(loss) of equity accounted investments	16	23	15	(18)
Adjusted EBIT		2,468	544	(66)
Foreign exchange on debt, derivatives and balance sheet revaluation	39	60	(14)	(38)
Unrealised (loss)/gain on commodities	39	(59)	(163)	48
Finance income	13	164	67	9
Finance expense (net)	13	(469)	(507)	(369)
Fair value gain on equity investments	12	1	9	4
Profit/(loss) before tax and exceptional items		2,165	(64)	(412)
Exceptional items	4	-	161	(43)
Profit/(loss) before tax		2,165	97	(455)

*See note 2 for details of restatement as a result of a change in accounting policy.

Free cash flow

Year ended 31 March (£ millions)	2024	2023	2022
Net cash generated from operating activities	4,963	2,351	434
Purchases of property, plant and equipment	(860)	(605)	(712)
Cash outflow relating to intangible asset expenditure	(1,516)	(775)	(481)
Proceeds from sale of fixed assets and assets held for sale	16	7	7
Purchases of other assets acquired with view to resale	-	(24)	-
Dividends received	2	-	-
Finance expenses and fees paid	(494)	(495)	(402)
Finance income received	158	62	8
Free cash flow	2,269	521	(1,146)

Total product and other investments

Year ended 31 March (£ millions)	Note	2024	2023	2022
Purchases of property, plant and equipment		860	605	712
Cash outflow relating to intangible asset expenditure		1,516	775	481
Engineering costs expensed	11	880	966	839
Purchases of other investments		7	7	4
Total product and other investments		3,263	2,353	2,036

Total cash and cash equivalents, deposits and investments

As at 31 March (£ millions)	Note	2024	2023	2022
Cash and cash equivalents		4,051	3,687	4,223
Short-term deposits and other investments		103	105	175
Total cash and cash equivalents, deposits and investments		4,154	3,792	4,398

Available liquidity

As at 31 March (£ millions)	Note	2024	2023	2022
Cash and cash equivalents		4,051	3,687	4,223
Short-term deposits and other investments		103	105	175
Committed undrawn credit facilities	27	1,520	1,520	2,015
Available liquidity		5,674	5,312	6,413

Net debt

As at 31 March (£ millions)	Note	2024	2023	2022
Cash and cash equivalents		4,051	3,687	4,223
Short-term deposits and other investments		103	105	175
Interest-bearing loans and borrowings	27	(4,886)	(6,788)	(7,597)
Net debt		(732)	(2,996)	(3,199)

Retail and wholesales

Year ended 31 March (units)	2024	2023	2022
Retail sales	431,733	354,662	376,381
Wholesales	401,303	321,362	294,182

4 EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the consolidated income statement and excluded from adjusted EBIT and adjusted EBITDA measures to support the reader's understanding of the performance of the Group.

The Group considers qualitative and quantitative factors to determine whether a transaction or event is exceptional, including the expected size, nature and frequency of the transaction or event, and any precedent for similar items in previous years.

Items that are considered exceptional may include the following:

- Costs associated with significant restructuring events;
- Impairments or reversals of impairments arising from an impairment assessment of the Group's cash-generating unit in accordance with IAS 36;
- Defined benefit past service costs or credits arising from scheme amendments; and
- Costs associated with provisions and related reversals arising from a significant one-off event not in the normal course of business.

No exceptional items were recognised during the year ended 31 March 2024.

The exceptional items recognised during the year ended 31 March 2023 comprise:

- £155 million in relation to a pension past service credit due to a change in inflation index from RPI to CPI;
- £5 million update to the exceptional item recognised during the years ended 31 March 2022 and 31 March 2021 in relation to the impact of the Group's Reimagine strategy; and
- £1 million update to the exceptional item recognised during the year ended 31 March 2022 in relation to customer liabilities arising from sanctions imposed against Russia.

The exceptional items recognised during the year ended 31 March 2022 comprise:

- £43 million in relation to customer liabilities arising from sanctions imposed against Russia by many countries, preventing the shipment of vehicles and certain parts to the market; and
- Updates to the assessment of the impact of the Group's Reimagine strategy relating to the exceptional items recognised during the year ended 31 March 2021.

There are no tax charges or credits arising from the exceptional items.

The tables below set out the exceptional items recorded during the years ended 31 March 2023 and 2022 and the impact on the consolidated income statement if these items were not disclosed separately as exceptional items.

Year ended 31 March 2023 (£ millions)	Other expenses	Employee costs	Material and other cost of sales
Excluding exceptional items	4,777	2,524	14,008
Restructuring costs - employee and third party obligations	(1)	-	(4)
Pension past service credit	-	(155)	-
Other	(1)	-	-
Including exceptional items	4,775	2,369	14,004

Year ended 31 March 2022 (£ millions)	Other expenses	Employee costs	Material and other cost of sales
Excluding exceptional items	3,701	2,265	11,239
Restructuring costs - asset write-downs	7	-	-
Restructuring costs - employee and third party obligations	(73)	(16)	82
Other	43	-	-
Including exceptional items	3,678	2,249	11,321

Revenue comprises the consideration earned by the Group in respect of the output of its ordinary activities. It is measured based on the contract price, which is the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties, and net of settlement discounts, bonuses, rebates and sales incentives. The Group's primary clients from the sale of vehicles, parts and accessories are retailers, fleet and corporate clients, and other third-party distributors. The Group recognises revenue when it transfers control of a good or service to a customer, thus evidencing the satisfaction of the associated performance obligation under that contract.

As described in note 38, the Group operates with a single automotive reporting segment, principally generating revenue from the sales of vehicles, parts and accessories.

The sale of vehicles also can include additional services provided to the customer at the point of sale, for which the vehicle and services are accounted for as separate performance obligations, as they are considered separately identifiable. The contract transaction price is allocated among the identified performance obligations based on their stand-alone selling prices. Where the stand-alone selling price is not readily observable, it is estimated using an appropriate alternative approach.

Significant revenue areas	Nature, timing of satisfaction of performance obligations, and significant payment terms
Vehicles, parts, and accessories (and other goods)	The Group recognises revenue on the sale of vehicles, parts and accessories at the point of "wholesale", which is determined by the underlying terms and conditions of the contract with the customer as to when control transfers to them. The principle of control under IFRS 15 considers which party has the ability to direct the use of an asset and to obtain substantially all of the remaining economic benefits.
	Determining the transfer of control with regards to the sale of goods is primarily driven by: <ul style="list-style-type: none"> ▪ The point at which the risks and rewards of ownership pass to the customer; ▪ The point at which the customer takes physical possession of the good or product; ▪ The point at which the customer accepts the good or product; ▪ The point at which the Group has a present right to payment for the sale of the good or product; and ▪ The point at which legal title to the good or product transfers to the customer.
	In the vast majority of cases, the sale of the relevant good is recognised at the point of dispatch (at release to the carrier responsible for transportation to the customer) or the point of delivery to the customer, depending on individual contractual arrangements.
	In some instances, revenue may be recognised on a bill-and-hold basis where vehicles, for example, are sold to the customer but are retained in the Group's possession at a vehicle holding compound on behalf of the customer ahead of being physically transferred to them at a future time. Such arrangements meet the criteria for bill-and-hold arrangements under IFRS 15 to ensure that the customer has obtained the ultimate control of the product when revenue is recognised.
	The reason for the bill-and-hold is substantive (as the customer requests JLR to retain possession, usually due to a lack of available space at their own premises), the vehicles are identifiable as separately belonging to the customer (on the basis that each vehicle has a unique Vehicle Identification Number), the vehicle must be ready for physical transfer to the customer (which it is, given that it is fully built and safety-checked off the manufacturing line) and the Group does not have the ability to use the vehicle or direct it elsewhere.
Sales incentives	The Group operates with financing partners across the world that provide wholesale financing arrangements to the retail network for vehicle sales, which enables cash settlement to occur immediately (usually within two working days) for purchases from the Group.
	For the sale of parts and accessories, the Group typically receives payment in line with the invoice payment terms stipulated and agreed with its clients, which are usually 30 days.
	The costs associated with providing sales support and incentives (variable marketing expense) are considered to be variable components of consideration, thus reducing the amount of revenue recognised by the Group.
	Under IFRS 15, the Group ensures that variable consideration is recognised to the extent of the amount to which it expects to be entitled.
	To meet this principle, the Group constrains its estimate of variable consideration to include amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.
Scheduled maintenance contracts	The Group estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of dealer stock and local market conditions. The constraint on variable consideration is estimated with reference to historical accuracy, current market conditions and a prospective assessment considering relevant geopolitical factors, including global stock positions for both the Group and its third party dealer network reflecting the pipeline of vehicle inventory for sale to end clients.
	Variable consideration received for contracts with multiple performance obligations is allocated to all such obligations only when applicable. For example, with the sale of a vehicle, the cost of the incentive provided is allocated entirely to the vehicle as its purpose is to incentivise the sale of the vehicle rather than support any additional obligations.
	Liabilities in relation to sales incentives are disclosed in note 26.
Scheduled maintenance contracts	Scheduled maintenance contracts sold with a vehicle provide the end customer with the benefit of bringing their vehicle to a dealership for the routine maintenance required to maintain compliance for warranty purposes.
	The majority of plans sold by the Group are complimentary with the vehicle, thus payment is received at the same time as the proceeds from the vehicle sale, at which point the amount is recognised as a contract liability based on the stand-alone selling price, which is measured using a cost-plus approach.
	Revenue is recognised over the life of the plan based on the expected performance of the services from the point of a vehicle being retailed to an end customer and aligned to the expected profile of costs to fulfil those services based on historical information.

Telematics	Telematics features provide a service to the customer typically aligned to the warranty period of the vehicle, allowing a vehicle to connect and interact with an end customer's mobile phone.
	The Group typically receives payment relating to telematics features at the same time as the proceeds from the vehicle sale, at which point the amount is recognised as a contract liability based on the stand-alone selling price. For optional features, this is measured at the observable option price and for standard-fit features is measured using a cost-plus basis. The stand-alone selling price for telematics subscription renewals is measured at the renewal price offered to the customer.
	Revenue is recognised on a straight-line basis over the term of the service from the point of the vehicle being retailed to an end customer in line with the expected costs to fulfil those services.
Warranty considerations as a service	Vehicles and parts sold by the Group include a standard warranty to guarantee the vehicle complies with agreed-upon specifications for a defined period of time. Where the warranty offering to the end customer exceeds the standard market expectation for similar products, or provides a service in excess of the assurance that the agreed-upon specification is met, the Group considers this to constitute a service to the end customer and therefore a separate performance obligation. Revenue is recognised on a straight-line basis over the contractual period to which the warranty service relates, up to which point it is recognised as a contract liability.
Repurchase arrangements	Some contracts with clients include an option or obligation for the Group to repurchase the product sold (including repurchasing a product originally sold as part of an amended product). Such instances are common in the Group's arrangements with third-party fleet clients or in contract manufacturing arrangements that the Group is party to.
	The Group does not recognise revenue on the original sale, as it retains ultimate control of that product. The related inventory continues to be recognised on the Group's consolidated balance sheet. The consideration received from the customer is treated as a liability.
	Where the contractual repurchase price is less than the original sale price, the transaction is accounted for as a lease and where the contractual repurchase price is more than or equal to the original sale price the transaction is accounted for as a financing arrangement. Revenue recognised under such lease arrangements is outside of the scope of IFRS 15 and instead is recognised in line with IFRS 16 Leases.
Returns obligations, refunds and similar obligations	Revenue relating to the good or product is recognised only when it is sold by the Group with no repurchase obligation or option attached.
	Vehicle sales do not typically include allowances for returns or refunds, except where there is legislative requirement.
	Regarding other goods, where rights of return may be prevalent, the Group estimates the level of returns based on the historical data for specific products, adjusted as necessary to estimate returns for new products. Revenue is not recognised for expected returns - instead the Group recognises a refund liability and asset where required.

The Group's revenues are summarised as follows:

Year ended 31 March (£ millions)	2024	2023	2022
Revenue recognised for sales of vehicles, parts and accessories	27,656	22,209	17,159
Revenue recognised for services transferred	349	318	324
Revenue - other	1,044	872	762
Total revenue from contracts with clients	29,049	23,399	18,245
Realised revenue hedges	(54)	(590)	75
Total revenue	28,995	22,809	18,320

Revenue disaggregation

The following table presents the Group's revenue, disaggregated by primary geographical market, timing of revenue recognition and major product categories. All revenue is generated from the Group's single automotive operating segment.

Year ended 31 March 2024 (£ millions)	UK	US	China	Rest of Europe	Rest of World	Total Revenue
Revenue recognised for sales of vehicles, parts and accessories	3,991	6,579	5,277	5,380	6,429	27,656
Revenue recognised for services transferred	137	102	24	16	70	349
Revenue - other	938	5	94	-	7	1,044
Total revenue from contracts with clients	5,066	6,686	5,395	5,396	6,506	29,049
Realised revenue hedges	-	(156)	82	-	20	(54)
Total revenue	5,066	6,530	5,477	5,396	6,526	28,995

Year ended 31 March 2023 (£ millions)	UK	US	China	Rest of Europe	Rest of World	Total Revenue
Revenue recognised for sales of vehicles, parts and accessories	3,058	5,359	4,766	4,311	4,715	22,209
Revenue recognised for services transferred	114	105	9	13	77	318
Revenue - other	760	6	96	3	7	872
Total revenue from contracts with clients	3,932	5,470	4,871	4,327	4,799	23,399
Realised revenue hedges	-	(274)	(290)	-	(26)	(590)
Total revenue	3,932	5,196	4,581	4,327	4,773	22,809

Year ended 31 March 2022 (£ millions)	UK	US	China	Rest of Europe	Rest of World	Total Revenue
Revenue recognised for sales of vehicles, parts and accessories	2,377	4,104	4,166	3,221	3,291	17,159
Revenue recognised for services transferred	108	101	7	24	84	324
Revenue - other	679	6	64	3	10	762
Total revenue from contracts with clients	3,164	4,211	4,237	3,248	3,385	18,245
Realised revenue hedges	-	109	(61)	-	27	75
Total revenue	3,164	4,320	4,176	3,248	3,412	18,320

Contract assets

As at 31 March (£ millions)	2024	2023	2022
Accrued income	53	40	39
Total contract assets	53	40	39

Contract liabilities

As at 31 March (£ millions)	2024	2023	2022
Ongoing service obligations	929	779	681
Liabilities for advances received	102	51	122
Total contract liabilities	1,031	830	803

“Ongoing service obligations” mainly relate to long-term service and maintenance contracts, extended warranties and telematics services. “Liabilities for advances received” primarily relate to consideration received in advance from clients for products not yet wholesaled, at which point the revenue will be recognised. “Ongoing service obligations” and “Liabilities for advances received” are both presented within “Other liabilities” in the consolidated balance sheet.

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have an original expected duration of one year or less. This is because revenue resulting from those sales will be recognised in a short-term period. The services included with the vehicle sale are to be recognised as revenues in subsequent years but represent an insignificant portion of expected revenues in comparison.

Revenue that is expected to be recognised within five years related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 March 2024 amounted to £1,031 million (2023: £830 million, 2022: £803 million).

The movement in contract liabilities relates solely to revenue recognised from balances held at the beginning of the year of £400 million (2023: £440 million, 2022: £385 million) and increases due to cash received for performance obligations unsatisfied at the year end of £601 million (2023: £467 million, 2022: £361 million).

Revenue recognised in the year from performance obligations satisfied in the previous year is £5 million (2023: £5 million, 2022: £13 million).

6 MATERIAL AND OTHER COST OF SALES

Year ended 31 March (£ millions)	2024	2023	2022
Changes in inventories of finished goods and work-in-progress	(548)	(476)	279
Purchase of products for sale	1,449	1,331	1,172
Raw materials and consumables used	16,063	13,075	9,654
Realised purchase hedges	-	78	134
Total material and other cost of sales	16,964	14,008	11,239

7 EMPLOYEE NUMBERS AND COSTS

Year ended 31 March (£ millions)	2024	2023	2022
Wages and salaries - employee costs	2,310	1,826	1,626
Wages and salaries - agency costs	214	190	95
Total wages and salaries	2,524	2,016	1,721
Social security costs and benefits	382	334	312
Pension costs	158	174	232
Total employee costs	3,064	2,524	2,265

Average employee numbers for the year ended 31 March 2024	Non-agency	Agency	Total
Manufacturing	18,513	2,235	20,748
Research and development	10,992	377	11,369
Other	9,501	312	9,813
Total employee numbers	39,006	2,924	41,930

Average employee numbers for the year ended 31 March 2023	Non-agency	Agency	Total
Manufacturing	17,086	2,434	19,520
Research and development	8,607	299	8,906
Other	9,592	361	9,953
Total employee numbers	35,285	3,094	38,379

Average employee numbers for the year ended 31 March 2022	Non-agency	Agency	Total
Manufacturing	17,268	751	18,019
Research and development	7,893	394	8,287
Other	9,430	295	9,725
Total employee numbers	34,591	1,440	36,031

8 DIRECTORS' EMOLUMENTS

Year ended 31 March (£)	2024	2023	2022
Directors' emoluments	4,193,414	3,975,221	4,001,943
Decrease of long-term incentive scheme amounts receivable	-	(10,420)	(30,253)
Compensation for loss of office	-	2,180,998	-

The aggregate of emoluments received in the year and amounts accrued under the bonus schemes of the highest paid director was £3,827,850 (2023: £2,458,509, 2022: £3,652,103), together with contributions to pension schemes of £nil (2023, 2022: £nil). During the year, the value of LTIP awards accrued has increased by £nil (2023, 2022: £nil), which will become payable in future periods.

There were no directors who were members of a defined benefit pension scheme or a defined contribution scheme during the years ended 31 March 2024, 2023 and 2022.

LTIP cash payments received by directors during the year ended 31 March 2024 were £nil (2023: £nil, 2022: £686,000).

9 OTHER INCOME

Government grants are recognised when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the consolidated income statement, either on a systematic basis when the Group recognises, as expenses, the related costs that the grants are intended to compensate or immediately, if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure except in cases where there are no ongoing performance obligations to the Group, in which case the government grant is recognised as other income in the period in which the Group becomes entitled to the grant.

Government grants related to assets are presented as gross as separate liabilities and unwound over the useful economic lives of the assets as other income.

Cash flows arising from grants related to income and assets are presented within cash flows from operating activities in the consolidated cash flow statement.

The terms and treatment of each grant is assessed on a case by case basis.

Sales tax incentives received from governments are recognised in the consolidated income statement at the reduced tax rate, and revenue is reported net of these sales tax incentives.

Year ended 31 March (£ millions)	2024	2023 Restated*	2022 Restated*
Grant income	226	219	145
Commissions	23	29	17
Other	93	101	115
Total other income	342	349	277

*See note 2 for details of restatement as a result of a change in accounting policy.

During the year ended 31 March 2024, £60 million (2023: £53 million, 2022: £42 million) was recognised in "Other income" by a foreign subsidiary as an incentive for continuing trading in that country for the foreseeable future. This includes amounts received as cash in the year and amounts that the subsidiary is due to receive and for which there are no ongoing financial or operating conditions attached.

During the year ended 31 March 2024, £231 million (2023: £175 million, 2022: £73 million) was recognised by a UK subsidiary as a Research and Development Expenditure Credit ("RDEC") incentive on qualifying expenditure. During the year ended 31 March 2024, £140 million (2023: £76 million, 2022: £39 million) of the RDEC – the proportion relating to capitalised product development expenditure and other intangible assets – has been recognised as deferred grant income. The remaining £91 million (2023: £99 million, 2022: £34 million) of the RDEC has been recognised as "Other income".

10 OTHER EXPENSES

Year ended 31 March (£ millions)	2024	2023*	2022*
Stores, spare parts and tools	132	105	86
Freight cost	710	630	485
Works, operations and other costs*	3,243	2,466	1,822
Power and fuel	130	182	158
Product warranty	1,034	885	748
Publicity	777	509	402
Total other expenses	6,026	4,777	3,701

*Comparative amounts for the years ended 31 March 2023 and 2022 have been re-presented for the presentation change during the year ended 31 March 2024 to group immaterial expense captions into 'Works, operations and other costs'. "Total other expenses" is unchanged in either year.

11 ENGINEERING COSTS CAPITALISED

Year ended 31 March (£ millions)	2024	2023 Restated*	2022 Restated*
Total engineering costs incurred	2,333	1,693	1,294
Engineering costs expensed	(880)	(966)	(839)
Engineering costs capitalised	1,453	727	455
Interest capitalised in relation to engineering costs	88	20	41
Total capitalised in property, plant and equipment and intangible assets	1,541	747	496

*See note 2 for details of restatement as a result of a change in accounting policy.

Engineering costs capitalised of £1,453 million (2023: £727 million, 2022: £455 million) comprises £631 million (2023: £327 million, 2022: £236 million) included in “Employee costs” and £822 million (2023: £400 million, 2022: £219 million) included in “Other expenses” in the consolidated income statement.

12 FOREIGN EXCHANGE AND FAIR VALUE ADJUSTMENTS

Year ended 31 March (£ millions)	2024	2023	2022
Foreign exchange and fair value adjustments on loans	133	(209)	(141)
Foreign exchange (loss)/gain on economic hedges of loans	(119)	203	91
Foreign exchange gain/(loss) on derivatives	1	(14)	-
Other foreign exchange gain	3	35	55
Realised (loss)/gain on commodities	(74)	31	83
Unrealised (loss)/gain on commodities	(59)	(163)	48
Fair value gain on equity investments	1	9	4
Foreign exchange and fair value adjustments	(114)	(108)	140

13 FINANCE INCOME AND EXPENSE

Year ended 31 March (£ millions)	2024	2023	2022
Finance income	164	67	9
Total finance income	164	67	9
Interest expense on lease liabilities	(56)	(54)	(45)
Total interest expense on financial liabilities measured at amortised cost other than lease liabilities measured at amortised cost	(401)	(438)	(365)
Interest (expense)/income on derivatives designated as a fair value hedge of financial liabilities	(27)	(12)	7
Unwind of discount on provisions	(77)	(25)	(10)
Interest capitalised	92	22	44
Total finance expense (net)	(469)	(507)	(369)

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 6.4 per cent (2023: 5.4 per cent, 2022: 4.6 per cent).

14 PROFIT/(LOSS) BEFORE TAX

Expense/(income) in profit/(loss) before tax includes the following:

Year ended 31 March (£ millions)	2024	2023 Restated*	2022 Restated*
Depreciation of property, plant and equipment*	1,023	971	872
Amortisation of intangible assets (excluding internally generated development costs)	77	76	76
Amortisation of internally generated development costs*	977	973	986
Depreciation of right-of-use assets	98	87	87
Expenses related to short-term leases	15	10	10
Expenses related to leases of low-value assets (excluding short-term leases of low-value assets)	13	12	9
Loss/(gain) on disposal of fixed assets and assets held for sale	20	10	(1)
Exceptional items	-	(161)	43
Auditor remuneration (see on the next page)	8	7	5

*See note 2 for details of restatement as a result of a change in accounting policy.

The following table sets out the auditor remuneration for the year (rounded to the nearest £0.1 million):

Year ended 31 March (£ millions)	2024	2023	2022
Fees payable to the Company's auditor and its associates for the audit of the parent company and consolidated financial statements	0.1	0.1	0.1
Fees payable to the Company's auditor and its associates for other services:			
- Audit of the Company's subsidiaries	7.3	6.8	4.2
Total audit fees	7.4	6.9	4.3
Audit-related assurance services	0.5	0.5	0.8
Other assurance services	-	-	0.3
Total non-audit fees	0.5	0.5	1.1
Total audit and related fees	7.9	7.4	5.4

15 TAXATION

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the consolidated income statement, except when related to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity) or where related to the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination. Current income taxes are determined based on the respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised tax losses, depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised. The future profitability is based on the business plan for each respective entity within the Group. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Group will be required to settle that tax. Measurement is dependent on management's expectations of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Group operates. This is assessed on a case-by-case basis using in-house experts, professional firms and previous experience. Where no provision is required the exposure is disclosed as a contingent liability in note 35 unless the likelihood of an outflow of economic benefits is remote.

Judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Amounts recognised in the consolidated income statement:

Year ended 31 March (£ millions)	2024	2023	2022
Current tax expense			
Current year	416	257	226
Adjustments for prior years	3	11	(5)
Current tax expense	419	268	221
Deferred tax (credit)/expense			
Origination and reversal of temporary differences	187	(121)	149
Adjustments for prior years	9	9	(3)
Deferred tax asset recognition	(1,029)	-	-
Rate changes	1	1	-
Deferred tax (credit)/expense	(832)	(111)	146
Total income tax (credit)/expense	(413)	157	367

Amounts recognised in the consolidated statement of other comprehensive income:

Year ended 31 March (£ millions)	2024	2023	2022
Deferred tax (credit)/expense on actuarial gains on retirement benefits	(101)	(3)	134
Deferred tax expense/(credit) on change in fair value of cash flow hedges	84	113	(170)
Deferred tax credit on rate changes	-	(6)	(77)
	(17)	104	(113)
Total tax (credit)/expense	(430)	261	254

Reconciliation of effective tax rate:

Year ended 31 March (£ millions)	2024	2023	2022
Profit/(loss) for the year	2,578	(60)	(822)
Total income tax (credit)/expense	(413)	157	367
Profit/(loss) before tax	2,165	97	(455)
Income tax expense/(credit) using the tax rates applicable to individual entities of 25.4% (2023: 60.8%, 2022: 4.4%)	549	59	(20)
Non-deductible expenses	30	17	33
Unrecognised or written-down deferred tax assets	-	34	331
Changes in tax rates	1	1	-
Deferred tax asset recognition	(1,029)	-	-
Overseas unremitted earnings	30	29	28
Tax on share of profit of equity accounted investments	(6)	(3)	3
Under/(over) provided in prior years	12	20	(8)
Total income tax (credit)/expense	(413)	157	367

The net underlying statutory tax rate represents the blended average of the tax rates suffered on profits and losses earned in our various countries of operation. The comparative positions reflect the fact that statutory tax rates applicable in profitable non-UK subsidiaries are higher than the UK tax rate applied to UK losses.

Deferred tax asset recognition relates to recognition of previously unrecognised deferred tax assets.

For the year ended 31 March 2024, the “Under provided in prior years” charge of £12 million arises as a result of the finalisation of prior year tax submissions with global tax authorities and the ongoing assessment of prior period tax risks.

Included within “Unrecognised or written-down deferred tax assets” for the year ended 31 March 2023 is a charge of £34 million as a result of the inability to fully recognise UK deferred tax assets arising in the year. The “Under provided in prior years” charge of £20 million arises as a result of the finalisation of prior year tax submissions with global tax authorities and the conclusion of certain tax risks.

Included within “Unrecognised or written-down deferred tax assets” for the year ended 31 March 2022 is a charge of £331 million as a result of the inability to fully recognise UK deferred tax assets arising in the year. The “Over provided in prior years” credit of £8 million arises as a result of the finalisation of prior year tax submissions with global tax authorities and the conclusion of certain tax risks.

Deferred tax assets and liabilities

Significant components of deferred tax assets and liabilities for the year ended 31 March 2024 are as follows:

£ millions	Opening balance - restated**	Recognised in profit or loss	Recognised in other comprehensive income	Reclassified from other equity reserves	Foreign exchange	Closing balance
Deferred tax assets						
Property, plant & equipment	799	54	-	-	1	854
Expenses deductible in future periods	204	40	-	-	(11)	233
Derivative financial instruments	38	(38)	-	-	-	-
Unrealised profit in inventory	118	71	-	-	-	189
Tax loss	233	659	-	-	(1)	891
Other	202	37	-	-	-	239
Total deferred tax asset	1,594	823	-	-	(11)	2,406
Deferred tax liabilities						
Property, plant & equipment	47	(47)	-	-	-	-
Intangible assets	1,041	128	-	-	-	1,169
Derivative financial instruments	-	(59)	84	1	-	26
Overseas unremitted earnings	120	(41)	-	-	-	79
Compensated absence and retirement benefits	157	10	(101)	-	-	66
Total deferred tax liability	1,365	(9)	(17)	1	-	1,340
Presented as deferred tax asset*	357					1,157
Presented as deferred tax liability*	(128)					(91)

*For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent that they relate to the same taxation authority and are expected to be settled on a net basis.

**The opening balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment have been restated for the impact of the amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction as explained in note 2. The impact of the restatement is an increase in the opening balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment of £47 million.

At 31 March 2024, deferred tax assets of £1,157 million (2023: £357 million, 2022: £336 million) have been recognised in relation to deductible temporary differences, including unused tax losses, on the basis that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The key assumptions to which the forecasts of the probable level of future taxable profits are most sensitive are wholesale volumes, variable profit per unit and investment.

In previous periods, the Group reviewed these tax assets and concluded that it was not probable that future taxable profits would be available against which the assets could be utilised, and accordingly had not recognised a net deferred tax asset in respect of those assets. In making this assessment in previous periods the Group had taken into account that Jaguar Land Rover Limited had consistently generated taxable losses in recent years, was continuing to generate taxable losses in the then current period and was forecast to generate some taxable income in future periods that may not have been sufficient to utilise the related tax assets. During the year ended 31 March 2024 there has been a significant improvement in performance. Sufficient taxable profits are forecast to be generated within the 5-year detailed business plan to utilise all of the net deferred tax asset prior to consideration of restrictions on the amount of UK tax losses and UK tax depreciation that can be offset against UK taxable profits each year. As a result of these UK tax rules the recoverability of all of the net UK deferred tax asset will continue beyond our 5-year detailed business plan. The forecasts are based on the Group's impairment model (refer to Note 20). The sensitivity analysis applied to the impairment model as described in Note 20 does not impact the ability to recover the UK deferred tax asset in full. When the tax assets are utilised in future years it is expected that the impact will be recorded within the underlying tax charge for that year to match with the similar classification of the corresponding taxable profits of that year.

At 31 March 2024, the Group had unused tax losses of £86 million (2023: £5,442 million, 2022: £3,746 million) for which no deferred tax asset has been recognised. As explained above, deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised. These tax losses are due to expire as follows:

As at 31 March (£ millions)	2024	2023	2022
No expiry	86	5,442	3,742
Within 5 years	-	-	4

All deferred tax assets and deferred tax liabilities at 31 March 2024, 2023 and 2022 are presented as non-current.

Significant components of deferred tax assets and liabilities for the year ended 31 March 2023 were as follows:

£ millions	Opening balance - restated**	Recognised in profit or loss restated**	Recognised in other comprehensive income	Reclassified from other equity reserves	Foreign exchange	Closing balance - restated**
Deferred tax assets						
Property, plant & equipment	1,134	(335)	-	-	-	799
Expenses deductible in future periods	228	(24)	-	-	-	204
Derivative financial instruments	125	30	(108)	(9)	-	38
Unrealised profit in inventory	73	45	-	-	-	118
Tax loss	19	214	-	-	-	233
Other	-	202	-	-	-	202
Total deferred tax asset	1,579	132	(108)	(9)	-	1,594
Deferred tax liabilities						
Property, plant & equipment	46	1	-	-	-	47
Intangible assets	1,090	(49)	-	-	-	1,041
Overseas unremitted earnings	105	15	-	-	-	120
Compensated absence and retirement benefits	107	54	(4)	-	-	157
Total deferred tax liability	1,348	21	(4)	-	-	1,365
Presented as deferred tax asset*	336					357
Presented as deferred tax liability*	(105)					(128)

*For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent that they relate to the same taxation authority and are expected to be settled on a net basis.

**The opening and closing balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment have been restated for the impact of the amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction as explained in note 2. The impact of the restatement is an increase of £46 million in opening balances and an increase of £47 million in closing balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment.

Significant components of deferred tax assets and liabilities for the year ended 31 March 2022 were as follows:

£ millions	Opening balance - restated**	Recognised in profit or loss restated**	Recognised in other comprehensive income	Reclassified from other equity reserves	Foreign exchange	Closing balance - restated**
Deferred tax assets						
Property, plant & equipment	817	317	-	-	-	1,134
Expenses deductible in future periods	260	(43)	-	-	11	228
Derivative financial instruments	(24)	(28)	205	(28)	-	125
Retirement benefits	72	20	(92)	-	-	-
Unrealised profit in inventory	103	(30)	-	-	-	73
Tax loss	65	(46)	-	-	-	19
Other	51	(51)	-	-	-	-
Total deferred tax asset	1,344	139	113	(28)	11	1,579
Deferred tax liabilities						
Property, plant & equipment	50	(4)	-	-	-	46
Intangible assets	902	188	-	-	-	1,090
Overseas unremitted earnings	111	(6)	-	-	-	105
Compensated absence and retirement benefits	-	107	-	-	-	107
Total deferred tax liability	1,063	285	-	-	-	1,348
Presented as deferred tax asset*	397					336
Presented as deferred tax liability*	(116)					(105)

*For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent that they relate to the same taxation authority and are expected to be settled on a net basis.

**The opening and closing balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment have been restated for the impact of the amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction as explained in note 2. The impact of the restatement is an increase of £50 million in opening balances and an increase of £46 million in closing balances of deferred tax assets and deferred tax liabilities in relation to property, plant and equipment.

An interest in an associate or joint venture is accounted for using the equity method from the date the investee becomes an associate or a joint venture and is recognised initially at cost. The carrying value of investments in associates and joint ventures includes goodwill identified on the date of acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group’s share of profits or losses, other comprehensive income and equity movements of equity accounted investments, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. When the Group’s share of losses exceeds its interest in an equity accounted investment, the carrying amount of that interest (including any long-term interests in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred constructive or legal obligations or has made payments on behalf of the investee.

When the Group transacts with a joint venture or associate of the Group, profits and losses are eliminated to the extent of the Group’s interest in its joint venture or associate.

Dividends are recognised when the right to receive payment is established.

Impairment of equity accounted investments

The requirements of IAS 28 Investments in associates and joint ventures are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in a joint venture or an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(A) Associates

Details of the Group’s associates as at 31 March 2024 are as follows:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity	Registered office address
Jaguar Cars Finance Limited	49.9%	England & Wales	Non-trading	250 Bishopsgate, London, England, EC2M 4AA
Synaptiv Limited	33.3%	England & Wales	Business and domestic software development	84 Kirkland Avenue, Ilford, Essex, England, IG5 0TN
ARC V Limited	15.0%	England & Wales	Manufacture and development of electrified vehicle technology	The Priory Barn Priory Road, Wolston, Coventry, United Kingdom, CV8 3FX

Except for ARC V Limited, the proportion of voting rights disclosed in the table above is the same as the Group’s interest in the ordinary share capital of each undertaking.

The Group has no material associates as at 31 March 2024. The aggregate summarised financial information in respect of Group’s immaterial associates that are accounted for using the equity method is set out below.

As at 31 March (£ millions)	2024	2023	2022
Carrying amount of the Group’s interests in associates	-	-	-
Year ended 31 March (£ millions)	2024	2023	2022
Group’s share of profit and total comprehensive income in associates	-	-	-

(B) Joint ventures

Details of the Group’s material joint venture as at 31 March 2024 are as follows:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity	Registered office address
Chery Jaguar Land Rover Automotive Company Ltd.	50.0%	China	Manufacture and assembly of vehicles	Room 1102, Binjiang International Plaza, No 88 Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Province, China

Chery Jaguar Land Rover Automotive Company Ltd. is a limited liability company whose legal form confirms separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts or circumstances that indicate that the parties to the joint control of the arrangement have rights to the assets or obligations for the liabilities relating to the arrangement. Accordingly, Chery Jaguar Land Rover Automotive Company Ltd. is classified as a joint venture. Chery Jaguar Land Rover Automotive Company Ltd. is not publicly listed.

The joint venture is accounted for using the equity method and is a private company and there are no quoted market prices available for its shares.

The following tables sets out the summarised financial information of the Group's individually material joint venture, Chery Jaguar Land Rover Automotive Company Ltd., after adjusting for material differences in accounting policies:

As at 31 March (£ millions)	2024	2023	2022
Cash and cash equivalents	276	396	391
Current financial liabilities (excluding trade and other payables and provisions)	(202)	(339)	(447)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(71)	(39)
Current assets	476	649	629
Current liabilities	(856)	(1,175)	(1,380)
Non-current assets	1,032	1,266	1,443
Non-current liabilities	(4)	(74)	(42)
Net assets of material joint venture	648	666	650

Year ended 31 March (£ millions)	2024	2023	2022
Revenue	1,511	1,683	1,669
Profit/(loss) for the year	28	30	(36)
Total comprehensive income/(expense)	28	30	(36)
Depreciation and amortisation	(172)	(176)	(181)
Finance income	8	10	5
Finance expense	(8)	(14)	(17)
Income tax (expense)/credit	(9)	(11)	20

A reconciliation of the summarised financial information to the carrying amount of the Group's material joint venture recognised in the consolidated balance sheet is given below:

As at 31 March (£ millions)	2024	2023	2022
Net assets of material joint venture	648	666	650
Share of net assets of material joint ventures	324	333	325
Other consolidation adjustments	(4)	(5)	(5)
Carrying amount of the Group's material joint venture	320	328	320

As at 31 March 2024, an adjustment of £4 million (2023: £5 million, 2022: £5 million) has been made to derecognise profit that has not yet been realised on goods sold by the Group to Chery Jaguar Land Rover Automotive Company Ltd.

During the year ended 31 March 2024, the Group received a dividend from Chery Jaguar Land Rover Automotive Company Ltd. of £nil (2023, 2022: £nil).

Details of the Group's immaterial joint ventures as at 31 March 2024 are as follows:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity	Registered office address
Jaguar Land Rover Switzerland Ltd	30.0%	Switzerland	Vehicle sales and distribution	Emil Frey Strasse, 5745 Safenwill
Inchcape JLR Europe Limited	30.0%	England & Wales	Vehicle distribution	22a St James's Square, London, United Kingdom, SW1Y 5LP
Billia JLR Import AB	30.0%	Sweden	Vehicle sales and distribution	Norra Långebergsgatan 3 421 32 Västra Frölunda, Sweden

The summarised financial information in respect of the Group's immaterial joint ventures accounted for using the equity method is set out below:

As at 31 March (£ millions)	2024	2023	2022
Carrying amount of the Group's interests in immaterial joint ventures	8	1	1
Year ended 31 March (£ millions)	2024	2023	2022
Group's share of profit and total comprehensive income in immaterial joint ventures	9	-	-

During the year ended 31 March 2024, the Group received dividends from its immaterial joint ventures of £2 million (2023, 2022: £nil).

(C) Summary of amounts recognised in the consolidated financial statements

As at 31 March (£ millions)	2024	2023	2022
Carrying amount of material joint ventures	320	328	320
Carrying amount of immaterial joint ventures	8	1	1
Carrying amount of immaterial associates	-	-	-
Carrying amount of the Group's interests in equity accounted investees	328	329	321
Year ended 31 March (£ millions)	2024	2023	2022
Share of profit/(loss) of:			
Material joint venture	14	15	(18)
Immaterial joint venture	9	-	-
Immaterial associates	-	-	-
Share of profit/(loss) of equity accounted investees	23	15	(18)
Year ended 31 March (£ millions)	2024	2023	2022
Currency translation differences – material joint venture	(23)	(7)	26
Share of other comprehensive (expense)/income related to equity accounted investees	(23)	(7)	26

17 OTHER NON-CURRENT INVESTMENTS

The Group's other investments comprise equity investments of 10 per cent or less of the ordinary share capital of the investee companies and are designated as fair value through profit and loss financial instruments.

As at 31 March (£ millions)	2024	2023	2022
Other investments	52	43	30
Total other non-current investments	52	43	30

During the year ended 31 March 2024, the Group invested £7 million (2023: £7 million, 2022: £4 million) in other investments. A fair value gain of £1 million (2023: £9 million, 2022: £4 million) was recognised during the year.

The Group has no additional rights or influence over any of these equity investments other than the voting rights attached to the ordinary share capital, and during the year ended 31 March 2024 no dividends were received (2023, 2022: no dividends).

Disclosure of the valuation techniques applied in calculating the fair value of these other non-equity accounted investments is included in note 37(A).

18 OTHER FINANCIAL ASSETS

As at 31 March (£ millions)	2024	2023	2022
Non-current			
Restricted cash	8	9	10
Derivative financial instruments	223	71	98
Warranty reimbursement and other receivables	58	54	63
Other	66	15	14
Total non-current other financial assets	355	149	185
Current			
Restricted cash	10	11	13
Derivative financial instruments	239	101	185
Warranty reimbursement and other receivables	121	85	72
Accrued income	53	40	39
Other	120	138	85
Total current other financial assets	543	375	394

Accrued income is included within "Contract assets" - see note 5.

Other financial assets pledged as collateral against borrowings are disclosed in note 27.

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Land is not depreciated.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Class of property, plant and equipment	Estimated useful life (years)
Buildings	10 to 40
Plant and equipment	3 to 30
Vehicles	3 to 10
IT Equipment	3 to 10
Fixtures and Fittings	3 to 20

The depreciation period for property, plant and equipment with finite useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

Freehold land is measured at cost and is not depreciated. Residual values are reassessed on an annual basis.

Depreciation is not recorded on assets under construction until construction and installation are complete and the asset is ready for its intended use. Assets under construction include capital advances. Depreciation is not recorded on heritage assets as the Group considers their residual value to approximate their cost.

An item of property, plant and equipment is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition is included in the consolidated income statement.

An annual review of the carrying value of heritage assets is performed as the assets are held at cost and not depreciated. Any write-down in the carrying value of heritage assets is recognised immediately in the consolidated income statement.

£ millions	Land and buildings	Plant and equipment	Vehicles	IT Equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2021 restated*	2,595	10,290	19	188	133	49	691	13,965
Additions*	1	-	-	12	11	-	658	682
Transfers*	53	1,057	1	-	-	-	(1,111)	-
Disposals*	(2)	(84)	(4)	(5)	(8)	(1)	-	(104)
Impairment - asset write-downs	-	-	-	-	-	-	(7)	(7)
Assets classified as held for sale	(8)	-	-	-	-	(2)	-	(10)
Foreign currency translation	-	1	(1)	-	(2)	-	-	(2)
Balance at 31 March 2022 restated*	2,639	11,264	15	195	134	46	231	14,524
Additions*	-	-	-	17	7	-	516	540
Transfers*	67	292	-	-	-	-	(359)	-
Disposals	-	(217)	(1)	-	(1)	(4)	-	(223)
Transfer to right-of-use assets	(13)	-	-	-	-	-	-	(13)
Assets classified as held for sale	(64)	-	-	-	-	(2)	-	(66)
Foreign currency translation	17	21	-	1	-	-	-	39
Balance at 31 March 2023 restated*	2,646	11,360	14	213	140	40	388	14,801
Additions	-	-	-	6	4	1	980	991
Transfers	97	405	-	-	-	-	(502)	-
Disposals	(7)	(1,179)	(3)	(15)	(13)	(27)	-	(1,244)
Impairment - asset write-downs	(3)	-	-	-	-	-	-	(3)
Assets classified as held for sale	(51)	(14)	-	(2)	-	-	-	(67)
Foreign currency translation	(14)	(21)	-	-	-	-	-	(35)
Balance at 31 March 2024	2,668	10,551	11	202	131	14	866	14,443
Depreciation and impairment								
Balance at 1 April 2021 restated*	513	6,670	9	106	83	31	-	7,412
Depreciation charge for the year*	113	735	2	14	8	-	-	872
Disposals	(1)	(84)	(1)	(5)	(6)	-	-	(97)
Assets classified as held for sale	(6)	-	-	-	-	-	-	(6)
Impairment - asset write-downs	-	-	-	-	-	3	-	3
Foreign currency translation	-	-	-	2	2	-	-	4
Balance at 31 March 2022 restated*	619	7,321	10	117	87	34	-	8,188
Depreciation charge for the year*	118	831	-	15	7	-	-	971
Disposals*	-	(207)	(1)	-	(1)	-	-	(209)
Assets classified as held for sale	(6)	-	-	-	-	-	-	(6)
Foreign currency translation*	5	8	2	-	-	-	-	15
Balance at 31 March 2023 restated*	736	7,953	11	132	93	34	-	8,959
Depreciation charge for the year	124	873	-	17	9	-	-	1,023
Disposals	(7)	(1,158)	-	(14)	(13)	(27)	-	(1,219)
Assets classified as held for sale	(12)	(13)	-	(3)	-	-	-	(28)
Foreign currency translation	(7)	(9)	-	-	-	-	-	(16)
Balance at 31 March 2024	834	7,646	11	132	89	7	-	8,719
Net book value								
At 31 March 2022 restated*	2,020	3,943	5	78	47	12	231	6,336
At 31 March 2023 restated*	1,910	3,407	3	81	47	6	388	5,842
At 31 March 2024	1,834	2,905	-	70	42	7	866	5,724

*See note 2 for details of restatement as a result of a change in accounting policy.

Intangible assets purchased, including those acquired in business combinations, are measured at acquisition cost, which is the fair value on the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether an indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. For intangible assets with finite lives, amortisation is provided on a straight-line basis over the estimated useful lives of the intangible assets as per the estimated amortisation periods below:

Class of intangible asset	Estimated amortisation period (years)
Software	2 to 8
Patents and technological know-how	2 to 12
Product development costs	2 to 12
Customer related – retailer network	20
Intellectual property rights and other intangibles	3 to indefinite

The amortisation for intangible assets with finite useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital work-in-progress includes capital advances. Customer-related intangibles acquired in a business combination consist of dealer networks. Intellectual property rights and other intangibles includes brand names, which are considered to have indefinite lives due to the longevity of the brands.

Internally generated intangible assets

Research costs are charged to the consolidated income statement in the year in which they are incurred.

Product engineering costs incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets – when feasibility has been established, the Group has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is not recorded on product engineering in progress until development is complete.

The Group undertakes significant levels of research and development activity. Periodic reviews are undertaken and judgement is applied in determining at what point in a programme's life cycle the recognition criteria under IAS 38 are satisfied. If a later point had been used then this would have had the impact of reducing the amounts capitalised as product engineering costs.

The Group applies judgement in determining the proportion of central overhead allocated within development costs that are capitalised.

£ millions	Software	Patents and technological know-how	Customer-related	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost							
Balance at 1 April 2021 restated*	874	147	61	652	9,470	1,121	12,325
Additions - externally purchased	25	-	-	-	-	-	25
Additions - internally developed*	-	-	-	-	-	488	488
Transfers*	-	-	-	-	1,026	(1,026)	-
Disposals*	(5)	-	-	(2)	(996)	-	(1,003)
Impairment - asset write-downs	-	-	-	-	-	(9)	(9)
Balance at 31 March 2022 restated*	894	147	61	650	9,500	574	11,826
Additions - externally purchased	56	-	-	-	-	-	56
Additions - internally developed*	-	-	-	-	-	738	738
Transfers*	-	-	-	-	519	(519)	-
Disposals*	(3)	-	-	-	(867)	-	(870)
Foreign currency translation	1	-	-	-	-	-	1
Balance at 31 March 2023 restated*	948	147	61	650	9,152	793	11,751
Additions - externally purchased	66	-	-	-	-	-	66
Additions - internally developed	-	-	-	-	-	1,538	1,538
Transfers	-	-	-	-	147	(147)	-
Disposals	(241)	-	-	-	(221)	-	(462)
Foreign currency translation	(1)	-	-	-	-	-	(1)
Balance at 31 March 2024	772	147	61	650	9,078	2,184	12,892
Amortisation and impairment							
Balance at 1 April 2021 restated*	608	147	44	169	5,680	-	6,648
Amortisation charge for the year*	71	-	2	3	986	-	1,062
Disposals*	(5)	-	-	(2)	(996)	-	(1,003)
Balance at 31 March 2022 restated*	674	147	46	170	5,670	-	6,707
Amortisation charge for the year*	71	-	2	3	973	-	1,049
Disposals*	(2)	-	-	-	(867)	-	(869)
Balance at 31 March 2023 restated*	743	147	48	173	5,776	-	6,887
Amortisation charge for the year	70	-	5	2	977	-	1,054
Disposals	(233)	-	-	-	(221)	-	(454)
Foreign currency translation	(1)	-	-	-	-	-	(1)
Balance at 31 March 2024	579	147	53	175	6,532	-	7,486
Net book value							
At 31 March 2022 restated*	220	-	15	480	3,830	574	5,119
At 31 March 2023 restated*	205	-	13	477	3,376	793	4,864
At 31 March 2024	193	-	8	475	2,546	2,184	5,406

*See note 2 for details of restatement as a result of a change in accounting policy.

Included within Intellectual property rights and other intangibles at 31 March 2024 are intangible assets with a carrying value of £471 million (2023: £471 million, 2022: £471 million) that have indefinite useful lives.

During the year ended 31 March 2024, central overheads of £149 million (2023: £77 million, 2022: £52 million) have been capitalised within product development - in progress.

Impairment testing

In accordance with prevailing accounting standards, management have performed an annual impairment assessment as at 31 January 2024, using the value in use ("VIU") approach to determine the recoverable value of the cash-generating unit ("CGU"). A subsequent assessment has been performed to the year end date which has determined that there have been no events or changes in circumstances which would have changed the outcome of the assessment performed as at 31 January.

The directors are of the view that the operations of the Group, excluding equity accounted investments, represent a single CGU. This is because the degree of integrated development and manufacturing activities is such that no one group of assets has been determined to generate cash inflows that are independent of any other.

The impairment assessment determined that the CGU recoverable value exceeded the carrying amount by £6.5 billion (2023: £1.5 billion, 2022: £0.6 billion) and therefore no impairment was identified. The increase in headroom has largely been driven by the improved performance experienced over the course of the year together with the progress made towards implementation of the business strategy. It was further determined that this increase did not require the reversal of the previously recorded impairment loss as the underlying drivers for the increased headroom do not support a reversal, after considering the unwind of the discount rate and the impact of depreciation and amortisation of impaired assets.

The Group has considered it appropriate to undertake the impairment assessment with reference to the Group business plan which was based on the Group approved Cycle Plan that was in effect as at the assessment date. The business plan includes a five-year cash flow forecast and contains growth rates that are primarily a function of the Group's Cycle Plan assumptions, historical performance and management's expectation of future market developments through to 2028/29.

In estimating the future cash flows management have given due consideration to the inherent uncertainty of forecast information and have adjusted some of the assumptions in the business plan to take into account possible variations in the amount or timing of the cash flows. In doing so, management has incorporated execution risks associated with our 'Reimagine' strategy and the transition to electrified powertrain into the VIU, as well as other risks outlined on pages 52 to 54, that may impact future cash flows.

Climate risk

The Group recognises that the potential impact of climate risk to areas such as supply chain, operations, and material and compliance costs may result in variations to the timing and amounts of future cash flows. As such climate risk is incorporated into the development of our forecast cash flows in the VIU by reference to our climate change risk assessment. These risks are principally reflected by the risk adjustments related to the variable profit and volumes which would be most affected by climate change events, for example, scarcity of certain commodities driving up costs and therefore adversely impacting variable profit. Further details on our approach to sustainability are included in the Strategic Report on pages 26 to 49.

Key assumptions

The assessment of impairment is based on forecasts of future cash flows which are inherently uncertain and are developed using informed assumptions such as historical trends and market information. The directors consider the key assumptions that impact the value in use are those to which:

- (i) the recoverable amount is most sensitive;
- (ii) involve a significant amount of judgement and estimation; and
- (iii) drive significant changes to the recoverable amount when flexed under reasonably possible outcomes.

The directors' approach and key assumptions used to determine the Group's CGU VIU were as follows:

- **Variable profit per unit and volumes** – The approach to determining the forecast variable profit per unit and volumes is based on consideration of historical performance, the order bank, profit optimisation efforts and Group Cycle Plan assumptions, along with the impact of risks on future cash flows discussed above. A small change in either assumption may have a significant impact to future cash flows and for this reason, as well as the impact of risks associated with supply and inflationary pressures on variable profit and volumes, the directors consider variable profit per unit and volumes to be key assumptions. Further, the variable profit per unit and volumes included in the business plan are largely driven by an updated portfolio, which includes estimates and judgements related to the transition to electrified powertrain, including the introduction of new Jaguar.
- **Terminal value capital expenditure** – the 5-year cash flows timing and amount are based on the latest Cycle Plan. The terminal value is based on the best estimate of a maintenance level of capital expenditure which has been derived from depreciation and amortisation expectations and funding requirements in response to longer-term industry trends and risks informed by those listed above and increases in execution risks in particular, which are anticipated in the VIU calculation. Due to the judgement and estimation involved in the calculation of terminal value capital expenditure, as well as the sensitivity of the recoverable amount to any change in the value, the directors consider this to be a key assumption.
- **Discount rate** – the approach to determining the discount rate is based on the Capital Asset Pricing Model and a market participant after tax cost of debt. These inputs are based on a typical build up approach, calculated using country specific premiums without size premium and with an unlevered equity Beta with reference to industry peers. The decrease in the year has mainly been driven by a decrease to the country risk premium. The discount rate is regarded as a key assumption as it is the rate which drives the discounted cash flows used to determine the VIU of the CGU primarily due to the level of judgement and estimation involved and the sensitivity of the recoverable amount to small changes in the percentage.

The VIU assessment is sensitive to certain assumptions, such as Sales, General & Administration ("SG&A") costs, where the cash flows are based on consideration of historical performance adjusted for future plans and expected cost savings. These are not considered to be key assumptions because they have less estimation uncertainty than those set out above. Similarly, certain assumptions which involve greater judgement and estimation, such as growth rate of 1.7 per cent (2023: 1.7 per cent, 2022: 1.7 per cent), but for which even relatively significant changes have a limited impact on the assessment are not regarded as key assumptions. Management have outlined the key assumptions to which the VIU assessment is sensitive later in this disclosure.

The value of key assumptions used to calculate the recoverable amount are as follows, presented as a % of Gross Vehicle Revenues (“GVR”) to demonstrate the relative value to the assessment where noted:

As at	31 January 2024	31 January 2023	31 March 2022
Forecast period (Yr1-5) variable profit* (%GVR)	27.2%	24.9%	24.4%
Terminal value variable profit * (%GVR)	24.3%	23.2%	24.8%
Terminal value capital expenditure (%GVR)	8.7%	8.1%	10.0%
Pre-tax discount rate	11.8%	15.6%	13.4%

*Based on forecast variable profit per unit and volumes.

Sensitivity to reasonably possible changes to key assumptions

Given the inherent uncertainty about the timing and amount of any change in key assumptions, as well as the significant portion of the recoverable amount related to the VIU terminal value, management consider a net impact on terminal period cash flows to be the best means of indicating the sensitivity of key assumptions.

Management considers the variable profit and volumes assumptions to be interdependent as movement in one assumption will impact the other, impacting the overall variable profit. For example, the profit optimisation efforts discussed above will likely result in higher average variable profit per unit with lower volumes whereas a focus on volumes would likely see a reduction in the average variable profit per unit. Consequently, the terminal value variable profit sensitivity below incorporates sensitivity in volumes via the impact on variable profit.

The table below shows the amount by which the value assigned to the key assumptions must change for the recoverable amount of the CGU to be equal to its carrying amount. Management considers it reasonably possible that these individual assumptions could vary, which could have a material impact on the value in use calculation, but do not consider it to be reasonably possible that the individual assumptions could change by the quantum outlined below such that the carrying value of the CGU would materially change. Management have also performed analysis which considers the impact of reasonably possible variances on these assumptions in aggregate and that analysis did not result in a material change to the carrying value of the CGU.

As at (% change)	31 January 2024	31 January 2023	31 March 2022
Forecast period (Yr1-5) variable profit	(22.2%)	(6.0%)	(3.1%)
Terminal value variable profit	(12.5%)	(5.5%)	(2.1%)
Terminal value capital expenditures	37.7%	17.5%	5.8%
Pre-tax discount rate	66.0%	31.4%	8.7%

In each of the four scenarios above, the sensitivity has been performed in isolation with all other assumptions remaining constant.

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - The Group has the right to operate the asset; or
 - The Group designed the asset in a way that predetermines how and for what purposes it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is allocated, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the useful life of the leased asset and the expected lease term. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straight-line basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as a discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of purchase options and lease payments in relation to lease extension options, if the Company is reasonably certain to exercise purchase or extension options, and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise a termination option.

The Group leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase options in the normal course of the business. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Group reassesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control.

The Group's leases mature between 2024 and 2051.

There are no leases with residual value guarantees.

Right-of-use assets

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Other	Total
Cost							
Balance at 1 April 2021	600	91	11	20	14	4	740
Additions	114	7	2	4	3	1	131
Disposals	(39)	(4)	-	-	-	-	(43)
Other	(3)	7	1	-	-	-	5
Balance at 31 March 2022	672	101	14	24	17	5	833
Additions	114	11	5	6	-	1	137
Disposals	(25)	(20)	(12)	(13)	-	(2)	(72)
Foreign currency translation	2	-	-	-	-	-	2
Other	18	2	-	-	-	-	20
Balance at 31 March 2023	781	94	7	17	17	4	920
Additions	33	26	3	10	-	1	73
Disposals	(21)	(28)	(1)	(5)	-	(2)	(57)
Foreign currency translation	(1)	-	-	-	(1)	-	(2)
Other	3	-	-	-	-	-	3
Balance at 31 March 2024	795	92	9	22	16	3	937
Depreciation							
Balance at 1 April 2021	123	46	8	14	3	2	196
Depreciation charge for the year	60	17	3	4	1	2	87
Disposals	(15)	(3)	-	-	-	-	(18)
Balance at 31 March 2022	168	60	11	18	4	4	265
Depreciation charge for the year	62	16	3	4	1	1	87
Disposals	(23)	(19)	(11)	(13)	-	(2)	(68)
Other	1	-	-	-	-	-	1
Balance at 31 March 2023	208	57	3	9	5	3	285
Depreciation charge for the year	73	14	3	5	2	1	98
Disposals	(18)	(28)	(1)	(5)	-	(2)	(54)
Balance at 31 March 2024	263	43	5	9	7	2	329
Net book value							
At 31 March 2022	504	41	3	6	13	1	568
At 31 March 2023	573	37	4	8	12	1	635
At 31 March 2024	532	49	4	13	9	1	608

The Group has not entered into any sale and leaseback transactions during the years ended 31 March 2024 or 2023.

The Group entered into a sale and leaseback transaction during the year ended 31 March 2022. The transfer of the Group asset did not satisfy the sale requirements of IFRS 15 and, therefore, is still retained on the Group balance sheet. An initial financial liability was recognised equal to the transfer proceeds of £33 million in accordance with IFRS 9 in borrowings in note 27. The lessee accounting principles described above under IFRS 16 have been applied to the leaseback transaction, with the initial right-of-use asset of £94 million recognised in land and buildings.

Lease liabilities

The maturity analysis of the contractual undiscounted cash flows is as follows:

As at 31 March (£ millions)	2024	2023	2022
Less than one year	124	118	103
Between one and five years	354	346	280
More than five years	653	732	561
Total undiscounted lease liabilities	1,131	1,196	944

The following amounts are recognised in the consolidated balance sheet:

As at 31 March (£ millions)	2024	2023	2022
Current lease liabilities	73	70	62
Non-current lease liabilities	621	640	508
Total lease liabilities	694	710	570

The following amounts are recognised in the consolidated income statement:

Year ended 31 March (£ millions)	2024	2023	2022
Interest expense on lease liabilities	56	54	45
Expenses related to short-term leases	15	10	10
Expenses related to low-value assets, excluding short-term leases of low-value assets	13	12	9

The following amounts are recognised in the consolidated cash flow statement:

Year ended 31 March (£ millions)	2024	2023	2022
Cash payments for the principal portion of lease liabilities (within 'payments of lease obligations')	74	72	71
Cash payment for interest expense related to lease liabilities (within 'finance expenses and fees paid')	56	54	45
Total cash outflow for leases	130	126	116

Leases as a lessor

Leases where the Group is a lessor are predominantly in relation to vehicles and property. The Group classifies these as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, are as follows:

As at 31 March (£ millions)	2024	2023	2022
Less than one year	8	4	4
Between one and five years	6	7	3
More than five years	8	10	12
Total undiscounted lease payments to be received	22	21	19

22 OTHER ASSETS

As at 31 March (£ millions)	2024	2023	2022
Non-current			
Prepaid expenses	131	66	24
Research and development expenditure credit	1	3	2
Other	11	6	9
Total non-current other assets	143	75	35
Current			
Recoverable VAT	158	252	204
Prepaid expenses	306	219	208
Research and development expenditure credit	178	121	63
Other	15	15	18
Total current other assets	657	607	493

23 ALLOWANCES FOR TRADE AND OTHER RECEIVABLES

Year ended 31 March (£ millions)	2024	2023	2022
At beginning of year	4	4	7
Charged during the year	5	3	4
Receivables written off as uncollectable	(2)	(2)	(6)
Unused amounts reversed	(1)	(1)	(1)
At end of year	6	4	4

24 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs of raw materials and consumables are ascertained on a first-in, first-out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods, determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Group and are amortised in changes in stocks and work-in-progress to their residual values (i.e. estimated second-hand sale value) over the term of the arrangement.

As at 31 March (£ millions)	2024	2023	2022
Raw materials and consumables	109	148	135
Work-in-progress	538	504	488
Finished goods	3,103	2,589	2,129
Inventory basis adjustment	1	(3)	29
Total inventories	3,751	3,238	2,781

Inventories of finished goods include £429 million (2023: £402 million, 2022: £361 million) relating to vehicles sold to rental car companies, fleet clients and others with guaranteed repurchase arrangements.

Cost of inventories (comprising the cost of purchased products and the costs of conversion) recognised as an expense during the year amounted to £19,431 million (2023: £15,421 million, 2022: £12,499 million), including material and other cost of sales, employee costs, depreciation and production overheads recognised within other expenses.

During the year, the Group recorded an inventory write-down expense of £115 million (2023: £75 million, 2022: £11 million). The write-down is included in "Material and other cost of sales".

25 ASSETS CLASSIFIED AS HELD FOR SALE

Assets are classified as held for sale if their carrying amount will be recovered primarily through sale rather than through continuing use, if the assets are available for immediate sale in their present condition and if the sale is highly probable. Immediately before classification as held for sale, the assets are measured in accordance with the Group's applicable accounting policies. Once classified as held for sale, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Any write-downs on initial classification or subsequent remeasurement are recognised in the consolidated income statement. Gains are not recognised in excess of any cumulative impairment losses.

As at 31 March, assets classified as held for sale comprise of the following:

As at 31 March (£ millions)	2024	2023	2022
Land and buildings	30	35	2
Heritage assets	-	3	2
Other assets held for sale	24	24	-
Total assets classified as held for sale	54	62	4

Work to implement a disposal plan for each class of asset has already begun and is expected to be completed within twelve months of the balance sheet date. During the year ended 31 March 2024, write-downs of £6 million (2023: £26 million, 2022: £nil) have been recognised in respect of assets held for sale where the carrying value of assets exceeded fair value less costs to sell.

26 ACCOUNTS PAYABLE

As at 31 March (£ millions)	2024	2023 *	2022 *
Trade payables	4,865	4,305	3,616
Liabilities related to revenue reductions	1,188	831	660
Liabilities to employees	317	143	168
Liabilities for expenses	345	304	269
Capital creditors	398	308	431
Total accounts payable	7,113	5,891	5,144

*The comparatives for the years ended 31 March 2023 and 31 March 2022 have been re-presented to align with presentation changes for the year ended 31 March 2024. Liabilities related to revenue reductions were previously included within Liabilities for expenses. This has not resulted in any change to the total accounts payable disclosed.

27 INTEREST-BEARING LOANS AND BORROWINGS

As at 31 March (£ millions)	2024	2023	2022
Short-term borrowings			
Bank loans	-	658	599
Current portion of long-term EURO MTF listed debt	427	571	779
Current portion of long-term bank loans	829	249	401
Total short-term borrowings	1,256	1,478	1,779
Long-term borrowings			
Bank loans	217	1,053	1,260
EURO MTF listed debt	2,683	3,512	3,953
Other unsecured	36	35	35
Total long-term borrowings	2,936	4,600	5,248
Lease obligations	694	710	570
Total debt	4,886	6,788	7,597

Euro MTF listed debt

The bonds are listed on the Luxembourg Stock Exchange multilateral trading facility ("EURO MTF") market. Details of the tranches of the bonds outstanding at 31 March 2024 are as follows:

\$500 million Senior Notes due 2027 at a coupon of 4.500 per cent per annum – issued October 2017
€500 million Senior Notes due 2026 at a coupon of 4.500 per cent per annum – issued September 2018
€500 million Senior Notes due 2024 at a coupon of 5.875 per cent per annum – issued November 2019
€298 million Senior Notes due 2026 at a coupon of 6.875 per cent per annum – issued November 2019
\$700 million Senior Notes due 2025 at a coupon of 7.750 per cent per annum – issued October 2020
\$553 million Senior Notes due 2028 at a coupon of 5.875 per cent per annum – issued December 2020
€500 million Senior Notes due 2028 at a coupon of 4.500 per cent per annum – issued July 2021
\$409 million Senior Notes due 2029 at a coupon of 5.500 per cent per annum – issued July 2021

During the year ended 31 March 2024, the Group repaid its €650 million Senior Notes due 2024 at a coupon of 2.200 per cent per annum – issued January 2017. In addition, the Group repaid £79 million of its \$650 million Senior Notes due 2028 for a purchase price of £72 million, £74 million of its \$500 million Senior Notes due 2029 for a purchase price of £64 million and £175 million of its €500 million Senior Notes due 2026 for a purchase price of £178 million. The resulting gain of £14 million was recognised in the consolidated income statement in the year ended 31 March 2024.

During the year ended 31 March 2023, the Group repaid its \$500 million Senior Notes due 2023 at a coupon of 5.625 per cent per annum – issued January 2013, and £400 million Senior Notes due 2023 at a coupon of 3.875 per cent per annum – issued February 2015.

During the year ended 31 March 2022, the Group repaid its £400 million Senior Notes due 2022 at a coupon of 5.000 per cent per annum – issued January 2014.

Syndicated loan

The Group has a \$1 billion syndicate loan with a coupon rate of SOFR + 1.900 per cent per annum, with \$798 million due in January 2025. \$202 million was repaid during the year ended 31 March 2023.

Factored receivables facility

The Group has a factored receivables facility of \$900 million, ending 31 March 2025. Under the terms of the facility, the Group derecognises factored receivables in accordance with IFRS 9 as there are no recourse arrangements. The related cash flows are reported within cash flows from operating activities within the consolidated cash flow statement. Included within bank loans at 31 March 2024 is £nil (2023: £70 million, 2022: £nil) in relation to receivables that were repurchased during the year.

UK export finance facility

The Group has a £625 million five-year amortising loan facility backed by a £500 million guarantee from UK Export Finance, ending October 2024. During the year ended 31 March 2024, the Group repaid £125 million (2023: £125 million, 2022: £125 million) of this loan. As at 31 March 2024, the remaining balance on the facility is £73 million (2023: £198 million, 2022: £323 million).

During the year ended 31 March 2022, the Group entered and drew down in full an additional £625 million five-year amortising loan facility, ending December 2026. During the year ended 31 March 2024, the Group repaid £125 million (2023: £125 million, 2022: £31 million) of this loan. As at 31 March 2024, the remaining balance on the facility is £344 million (2023: £469 million, 2022: £594 million).

These loans include a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

China borrowings

During the year ended 31 March 2021, the Group entered into a 3-year RMB 5 billion syndicated revolving loan facility subject to an annual confirmatory review. This facility was cancelled during the year ended 31 March 2023 and replaced with a new 3-year RMB 5 billion syndicated revolving loan facility subject to an annual confirmatory review. During the year ended 31 March 2024, a partial repayment of RMB 2 billion (£225 million) was made in October 2023 and the remaining RMB 3 billion (£328 million) was repaid in March 2024.

Undrawn facilities

As at 31 March 2024, the Group has a fully undrawn revolving credit facility of £1,520 million (2023: £1,520 million, 2022: £2,015 million). The facility has a maturity date of April 2026 and includes a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

The Group’s fleet buyback facility matured in December 2021. During the year ended 31 March 2022, the Group repaid the £110 million drawn on this facility.

Collateral pledged against borrowings

Other financial assets with a carrying of £27 million (2023: £20 million, 2022: £13 million) are pledged as collateral/security against borrowings.

The contractual cash flows of interest-bearing debt (excluding leases) are set out below, including estimated interest payments and assuming the debt will be repaid at the maturity date.

As at 31 March (£ millions)	2024	2023	2022
Due in			
1 year or less	1,534	1,742	2,104
2nd and 3rd years	1,747	2,891	2,508
4th and 5th years	1,371	1,666	1,899
More than 5 years	444	938	1,800
Total contractual cash flows	5,096	7,237	8,311

As at 31 March (£ millions)	2024	2023	2022
Current			
Lease obligations	73	70	62
Interest accrued	84	95	95
Derivative financial instruments	265	461	445
Liability for vehicles sold under a repurchase arrangement	455	297	267
Other	8	-	1
Total current other financial liabilities	885	923	870
Non-current			
Lease obligations	621	640	508
Derivative financial instruments	136	472	338
Other	1	11	25
Total non-current other financial liabilities	758	1,123	871

29 PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

As at 31 March (£ millions)	2024	2023	2022
Current			
Product warranty	720	696	604
Emissions compliance	41	9	79
Restructuring	5	5	118
Third party claims and obligations	193	300	108
Other provisions	67	79	80
Total current provisions	1,026	1,089	989
Non-current			
Product warranty	1,145	976	1,026
Emissions compliance	118	71	40
Other provisions	48	44	46
Total non-current provisions	1,311	1,091	1,112

Year ended 31 March 2024 (£ millions)	Product warranty	Emissions compliance	Restructuring	Third party claims and obligations	Other provisions	Total
Opening balance	1,672	80	5	300	123	2,180
Provisions made during the year	1,035	150	3	495	37	1,720
Provisions used during the year	(841)	(42)	(2)	(444)	(14)	(1,343)
Unused amounts reversed in the year	(78)	(26)	(1)	(158)	(22)	(285)
Impact of unwind of discounting	77	-	-	-	-	77
Foreign currency translation	-	(3)	-	-	(9)	(12)
Closing balance	1,865	159	5	193	115	2,337

Product warranty provision

The Group provides product warranties on all new vehicle sales in respect of manufacturing defects, which become apparent in the stipulated policy period dependent on the market in which the vehicle purchase occurred. The estimated liability for product warranty is recognised when products are sold or when new warranty programmes are initiated.

Provisions are recognised for the costs of repairing manufacturing defects, recall campaigns, customer goodwill (representing the Group's constructive obligation to its clients when managing those warranty claims) and the Group's other obligations under the warranty.

Assumptions are made on the type and extent of future warranty claims based on experience of the frequency and extent of vehicle faults and defects historically. The estimates also include assumptions on the amounts of potential repair costs per vehicle and the effects of possible time or mileage limits and are regularly adjusted to reflect new information. The timing of outflows will vary as and when a warranty claim will arise.

The Group's calculation methodology uses historical data corrected for experience as information becomes available as well as individual campaign assumptions (such as scope, uptake rates and repair costs). This can lead to changes in the carrying value of provisions as assumptions are updated over the life of each warranty; however there are no individual assumptions that can be reasonably expected to move over the next financial year to such a degree that it would result in a material adjustment to the warranty provision.

The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation.

The Group also has back-to-back contractual arrangements with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claims based upon historical levels of recoveries by supplier, adjusted for inflation and applied to the population of vehicles under warranty at the balance sheet date. Supplier reimbursement claims are presented as separate assets within "Other financial assets" in note 18. Supplier recoveries are recognised only when the Group considers there to be virtual certainty over the reimbursement, which also requires historical evidence to support.

The Group notes that changes in the automotive environment regarding the increasing impact of battery electric vehicles presents its own significant challenges, particularly due to the lack of maturity and historical data available at this time to help inform estimates for future warranty claims, as well as any associated recoveries from suppliers due to such claims. The Group offers warranties of up to eight years on batteries in electric vehicles. The related provisions are made with the Group's best estimate at this time to settle such obligations in the future, but will be required to be continually refined as sufficient, real-world data becomes available.

Emissions compliance

The Group maintains a provision for non compliance with legal emissions requirements for certain jurisdictions. The measurement of the provision considers the sales volume in that jurisdiction and the fee or cost per the applicable legislation. The Group aims to mitigate non-compliance risk by purchasing emission credits, participating in emission pools or, subject to the terms of the relevant legislation, generating credits by producing and selling compliant vehicles in the future. The measurement of the provision at the balance sheet date does not include the impact of credits forecast to be generated in the future via the production and sale of compliant vehicles.

The timing of outflows will vary and is not known with certainty.

Restructuring provision

The restructuring provision includes amounts for third party obligations arising from Group restructuring programmes. This includes amounts payable to employees and legal and constructive obligations made to third parties following the announcement of the Group's Reimagine strategy in the year ending 31 March 2021 as well as other Group restructuring programmes.

The amounts and timing of outflows will vary as and when restructuring obligations are progressed with third parties.

Third party claims and obligations

A provision is maintained in respect of legal and constructive obligations to third parties. This includes claims and obligations related to supplier claims, motor accident claims, consumer complaints, retailer terminations, employment cases and personal injury claims. The decrease in the year is driven predominantly by supplier claims as a result of ongoing negotiations and lower levels of new claims.

The provision recognised is based on previous experience, which is considered as a reasonable assumption to estimate the final settlement, if any, at the time of the claim. The timing and amount of outflows will vary with decreasing uncertainty from the point at which each claim is received to when it is subsequently settled.

Other provisions

Other provisions predominantly include environmental provisions and residual risk provisions. The timing of outflows will vary and is not known with certainty.

30 OTHER LIABILITIES

As at 31 March (£ millions)	2024	2023 Restated*	2022 Restated*
Current			
Liabilities for advances received	102	51	122
Ongoing service obligations	324	301	286
VAT	104	98	95
Deferred grant income	70	62	80
Other taxes payable	100	70	161
Other	11	8	10
Total current other liabilities	711	590	754
Non-current			
Ongoing service obligations	605	478	395
Deferred grant income	348	291	263
Other	4	3	2
Total non-current other liabilities	957	772	660

*See note 2 for details of restatement as a result of a change in accounting policy.

31 CAPITAL AND RESERVES

As at 31 March (£ millions)	2024	2023	2022
Authorised, called up and fully paid			
1,500,642,163 ordinary shares of £1 each	1,501	1,501	1,501
Total ordinary share capital	1,501	1,501	1,501

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The capital redemption reserve of £167 million (2023: £167 million, 2022: £167 million) was created in March 2011 on the cancellation of share capital.

32 OTHER RESERVES

The movement of reserves is as follows:

£ millions	Translation reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2021	(357)	136	1	3,806	3,586
Loss for the year	-	-	-	(818)	(818)
Remeasurement of defined benefit obligation	-	-	-	707	707
(Loss)/gain on effective cash flow hedges	-	(842)	31	-	(811)
Income tax related to items recognised in other comprehensive income	-	197	(8)	(92)	97
Cash flow hedges reclassified to profit and loss	-	(67)	(18)	-	(85)
Income tax related to items reclassified to profit or loss	-	13	3	-	16
Amounts removed from hedge reserve and recognised in inventory	-	134	13	-	147
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(25)	(3)	-	(28)
Foreign currency translation	24	-	-	-	24
Balance at 31 March 2022	(333)	(454)	19	3,603	2,835
Of which:					
Amounts related to continuing hedges	n/a	(444)	19	n/a	(425)
Amounts related to discontinued hedges	n/a	(10)	-	n/a	(10)
Balance at 1 April 2022	(333)	(454)	19	3,603	2,835
Loss for the year	-	-	-	(60)	(60)
Remeasurement of defined benefit obligation	-	-	-	(14)	(14)
Loss on effective cash flow hedges	-	(687)	(50)	-	(737)
Income tax related to items recognised in other comprehensive income	-	15	5	4	24
Cash flow hedges reclassified to profit and loss	-	618	(16)	-	602
Income tax related to items reclassified to profit or loss	-	(132)	4	-	(128)
Amounts removed from hedge reserve and recognised in inventory	-	40	5	-	45
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(8)	(1)	-	(9)
Foreign currency translation	13	-	-	-	13
Balance at 31 March 2023	(320)	(608)	(34)	3,533	2,571
Of which:					
Amounts related to continuing hedges	n/a	(605)	(34)	n/a	(639)
Amounts related to discontinued hedges	n/a	(3)	-	n/a	(3)
Balance at 1 April 2023	(320)	(608)	(34)	3,533	2,571
Profit for the year	-	-	-	2,578	2,578
Remeasurement of defined benefit obligation	-	-	-	(405)	(405)
Gain on effective cash flow hedges	-	803	41	-	844
Income tax related to items recognised in other comprehensive income	-	(68)	(3)	101	30
Cash flow hedges reclassified to profit and loss	-	66	(15)	-	51
Income tax related to items reclassified to profit or loss	-	(17)	4	-	(13)
Amounts removed from hedge reserve and recognised in inventory	-	2	1	-	3
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(1)	-	-	(1)
Foreign currency translation	(47)	-	-	-	(47)
Balance at 31 March 2024	(367)	177	(6)	5,807	5,611
Of which:					
Amounts related to continuing hedges	n/a	175	(6)	n/a	169
Amounts related to discontinued hedges	n/a	2	-	n/a	2

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of operations with a function currency other than GBP.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or direct inclusion in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects the cumulative gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

33 DIVIDENDS

During the year ended 31 March 2024 no ordinary share dividends were proposed or paid (2023, 2022: £nil).

In May 2024, the Company proposed and paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

Pension schemes

The Group operates several defined benefit ('DB') pension plans; these include two large and one smaller defined benefit plan in the UK. The UK DB plans are administered by a separate trustee and the assets of the plans are generally held in separate funds selected and overseen by the trustee. These plans were contracted out of the state second pension (S2P) scheme until 5 April 2016. The plans provide benefits for members including a monthly pension after retirement based on salary and service as set out in the rules of each plan.

Contributions to the plans by the Group take into consideration the results of actuarial valuations. The UK defined benefit plans were closed to new joiners in April 2010. The Group also operates a number of small benefit arrangements worldwide (the liabilities for these amount to around 0.6% of the Group total).

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial updates being carried out at the end of each reporting period.

Defined benefit costs are split into four categories:

- Current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest cost;
- Administrative expenses; and
- Remeasurements.

Remeasurement comprising actuarial gains and losses and the return on plan assets (excluding interest) is recognised immediately in the consolidated balance sheet with a charge or credit to the consolidated statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled to profit or loss.

Past service cost, including curtailment gains and losses, is generally recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability, adjusted for expected cash flows during the period. From the year ended 31 March 2020, at the point a past service cost is incurred, re-measurement of the income statement cost is considered and will be re-calculated if there is a material change.

The Group presents these defined benefit costs within "Employee costs" in the consolidated income statement (see note 7).

Separate defined contribution plans are available to all other employees of the Group. Costs in respect of these plans are charged to the consolidated income statement as incurred.

Post-retirement Medicare scheme

Under these unfunded schemes, employees of some subsidiaries receive medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Group as part of an early separation scheme, on medical grounds or due to permanent disablement, may also be covered under the scheme. The applicable subsidiaries (and therefore, the Group) account for the liability for the post-retirement medical scheme based on an annual actuarial valuation where appropriate.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in the consolidated statement of comprehensive income in the year in which they arise.

Measurement date

The measurement date of all retirement plans is 31 March.

The trustee of the pension schemes is required by law to act in the interest of the members and of all relevant stakeholders in the schemes and is responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of the trustee must be composed of representatives of the Group and scheme participants in accordance with each scheme's regulations.

Through its defined benefit pension schemes, the Group is exposed to a number of risks, the most significant of which are detailed below and on the next page.

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if the schemes' assets underperform against these corporate bonds, this will create or increase a deficit. The defined benefit schemes hold a significant proportion of equity-type assets, which are expected to outperform corporate bonds in the long-term although introduce volatility and risk in the short-term.

The UK schemes hold a substantial level of index-linked gilts and other inflation and interest rate hedging instruments, together with other bond type assets, in order to reduce the volatility of assets compared to the liability value, although these will lead to asset value volatility.

As the schemes mature, the Group intends to reduce the level of investment risk by investing more in assets for which expected income is a better match for the expected benefit obligations.

However, the Group believes that due to the long-term nature of the schemes' liabilities and the strength of the supporting group, a level of continuing equity-type investments is currently an appropriate element of the Group's long-term strategy to manage the schemes efficiently.

The trustees and the Group are engaged in ongoing discussions to control the impact of climate risk on the schemes' funding. The current diversified asset profile of the UK plans should reduce exposure to climate risks.

Changes in bond yields

A decrease in corporate bond yields will increase the schemes' liabilities, although this is expected to be partially offset by an increase in the value of the schemes' assets, specifically the bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against high inflation). As noted above, the schemes hold a significant proportion of assets in index-linked gilts, together with other inflation hedging instruments and also assets that are more closely correlated with inflation. However, an increase in inflation may still create a deficit or increase an existing deficit to some degree.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant in the UK defined benefit schemes, where inflationary increases result in higher sensitivity to changes in life expectancy. Regular updates to the model underlying the mortality assumption incorporate new mortality data. The long-term impact of COVID-19 on future mortality trends remains uncertain and consequently no further adjustment has been made to the mortality assumptions in this regard.

The following tables set out the disclosures pertaining to the retirement benefit amounts recognised in the consolidated financial statements prepared in accordance with IAS 19:

Change in present value of defined benefit obligation

Year ended 31 March (£ millions)	2024	2023	2022
Defined benefit obligation at beginning of year	5,089	7,522	8,432
Current service cost	63	82	116
Past service credit	-	(155)	-
Interest expense	237	212	176
Actuarial (gains)/losses arising from:			
Changes in demographic assumptions	(22)	-	10
Changes in financial assumptions	(147)	(2,357)	(705)
Experience adjustments	85	156	(3)
Exchange differences on foreign schemes	-	2	-
Member contributions	1	1	2
Benefits paid	(202)	(374)	(506)
Defined benefit obligation at end of year	5,104	5,089	7,522

Change in present value of scheme assets

Year ended 31 March (£ millions)	2024	2023	2022
Fair value of schemes' assets at beginning of year	5,726	7,931	8,045
Interest income	270	245	170
Remeasurement (loss)/gain on the return of plan assets, excluding amounts included in interest income	(489)	(2,215)	9
Administrative expenses	(10)	(26)	(27)
Employer contributions	86	164	238
Member contributions	1	1	2
Benefits paid	(202)	(374)	(506)
Fair value of schemes' assets at end of year	5,382	5,726	7,931

The actual return on the schemes' assets for the year ended 31 March 2024 was £(219) million (2023: £(1,970) million, 2022: £179 million).

Amounts recognised in the consolidated income statement consist of:

Year ended 31 March (£ millions)	2024	2023	2022
Current service cost	63	82	116
Past service credit	-	(155)	-
Administrative expenses	10	26	27
Net interest (income)/cost (including onerous obligations)	(33)	(33)	6
Components of defined benefit cost/(income) recognised in the consolidated income statement	40	(80)	149

Amounts recognised in the consolidated statement of comprehensive income consist of:

Year ended 31 March (£ millions)	2024	2023	2022
Actuarial gains/(losses) arising from:			
Changes in demographic assumptions	22	-	(10)
Changes in financial assumptions	147	2,357	705
Experience adjustments	(85)	(156)	3
Remeasurement (loss)/gain on the return of schemes' assets, excluding amounts included in interest income	(489)	(2,215)	9
Remeasurement (loss)/gain on net defined benefit obligation	(405)	(14)	707

Amounts recognised in the consolidated balance sheet consist of:

As at 31 March (£ millions)	2024	2023	2022
Present value of defined benefit obligations	(5,104)	(5,089)	(7,522)
Fair value of schemes' assets	5,382	5,726	7,931
Net pension asset	278	637	409
Presented as non-current asset	300	659	434
Presented as non-current liability	(22)	(22)	(25)

The most recent valuations of the defined benefit schemes for accounting purposes were carried out at 31 March 2024 by a qualified independent actuary. For the UK schemes this is based on membership data as at 1 April 2023 for the JPP & LRPS and at 1 April 2021 for the smaller JEPP. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. The asset valuations are taken from the asset custodian for each scheme together with the balance of the trustee bank accounts.

The principal assumptions used in accounting for the pension schemes are set out below:

As at 31 March	2024	2023	2022
Discount rate	5.1%	4.8%	2.8%
Expected rate of increase in benefit revaluation of covered employees	2.0%	1.9%	2.2%
RPI inflation rate	3.0%	3.0%	3.5%
CPI Inflation rate (capped at 5% p.a.)	2.5%	2.5%	-
CPI Inflation rate (capped at 2.5% p.a.)	1.8%	1.7%	1.9%

For the valuation at 31 March 2024, the mortality assumptions used are the Self-Administered Pension Schemes ("SAPS") mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 95 per cent to 111 per cent have been used for male members and scaling factors of 99 per cent to 113 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 101 per cent to 109 per cent have been used for male members and scaling factors of 97 per cent to 111 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 87 per cent to 93 per cent have been used for male members and scaling factors of 86 per cent to 92 per cent have been used for female members.

For the valuation at 31 March 2023, the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 101 per cent to 115 per cent have been used for male members and scaling factors of 103 per cent to 118 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 105 per cent to 117 per cent have been used for male members and scaling factors of 100 per cent to 116 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 93 per cent to 97 per cent have been used for male members and scaling factors of 91 per cent to 96 per cent have been used for female members.

For the valuation at 31 March 2022, the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 101 per cent to 115 per cent have been used for male members and scaling factors of 103 per cent to 118 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 105 per cent to 117 per cent have been used for male members and scaling factors of 100 per cent to 116 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 93 per cent to 97 per cent have been used for male members and scaling factors of 91 per cent to 96 per cent have been used for female members.

For the 2024 year end calculations there is an allowance for future improvements in line with the CMI (2022) with a long term rate of improvement of 1.25 per cent per annum, a smoothing parameter (s-kappa) of 7.0, default core initial improvements parameter (A) of zero and annual weight parameter for both 2020 and 2021 of zero and 25 per cent weighting for 2022 (2023: CMI (2021) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.5, 2022: CMI (2021) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.5).

The assumed life expectancies on retirement at age 65 are:

As at 31 March (years)	2024	2023	2022
Retiring today:			
Males	21.0	21.5	21.6
Females	23.5	23.8	23.8
Retiring in 20 years:			
Males	22.5	22.9	23.0
Females	25.4	25.7	25.7

A past service credit of £155 million was recognised during the year ended 31 March 2023 in relation to a change in indexation for some benefits. It was agreed with the trustees that the inflationary index for pension increases in payment and deferment would change from RPI to CPI with effect from 1 July 2022 for future increases for those members of the Schemes where this change was deemed appropriate.

All past service costs and credits are recognised in 'exceptional items' in the consolidated income statement. See note 4 for further information.

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by c.£170 million	Decrease/increase by c.£3 million
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by c.£96 million	Increase/decrease by c.£1 million
Mortality	Increase/decrease in life expectancy by 1 year	Increase/decrease by c.£146 million	Increase/decrease by c.£1 million

The fair value of schemes' assets is represented by the following major categories:

As at 31 March (£ millions)	2024				2023				2022			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equity instruments												
Information technology	-	80	80	1%	-	-	-	-	-	127	127	2%
Energy	-	11	11	-	-	-	-	-	-	18	18	-
Manufacturing	-	60	60	1%	-	-	-	-	-	96	96	1%
Financials	-	26	26	-	-	-	-	-	-	41	41	1%
Other	-	109	109	2%	-	-	-	-	-	173	173	2%
	-	286	286	4%	-	-	-	-	-	455	455	6%
Debt instruments												
Government	2,054	(559)	1,495	28%	1,830	(339)	1,491	26%	1,813	65	1,878	23%
Corporate bonds (investment grade)	913	147	1,060	20%	768	250	1,018	19%	1,149	310	1,459	18%
Corporate bonds (non-investment grade)	-	520	520	10%	-	759	759	13%	-	973	973	12%
	2,967	108	3,075	58%	2,598	670	3,268	58%	2,962	1,348	4,310	53%
Property funds												
UK	-	336	336	6%	-	289	289	5%	-	307	307	4%
Other	-	264	264	5%	-	230	230	4%	-	240	240	3%
	-	600	600	11%	-	519	519	9%	-	547	547	7%
Cash and cash equivalents	403	-	403	7%	52	254	306	5%	75	363	438	6%
Other												
Hedge funds	-	-	-	-	-	312	312	5%	-	506	506	6%
Private markets	-	866	866	16%	-	1,078	1,078	19%	-	998	998	13%
Alternatives	-	151	151	3%	-	186	186	3%	-	462	462	6%
	-	1,017	1,017	19%	-	1,576	1,576	27%	-	1,966	1,966	25%
Derivatives												
Foreign exchange contracts	-	(6)	(6)	-	-	17	17	-	-	(35)	(35)	-
Interest rate and inflation swaps	-	7	7	-	-	40	40	1%	-	250	250	3%
	-	1	1	-	-	57	57	1%	-	215	215	3%
Total	3,370	2,012	5,382	100%	2,650	3,076	5,726	100%	3,037	4,894	7,931	100%

As at 31 March 2024, the schemes held Gilt Repos. The net value of these transactions is included in the value of government bonds in the table above. The gross value of the funding obligation for the Repo transactions is £698 million (2023: £487 million, 2022: £1,462 million).

JLR assigns an accounting level (1, 2 or 3) to asset holdings in order to reflect the level of judgement involved in the valuation of an asset. In assigning the level JLR balances consistency between asset holdings, consistency from year to year and manager/other assessments. JLR designates level 1 to direct holdings of liquid assets where an active market exists. Level 1 assets are reported as quoted, level 2 and 3 unquoted. Repo obligations are noted separately.

Custodian accounts where underlying assets are regularly traded or where comparable assets have traded values are designated level 2, such as equity instruments, derivatives (including net value of swaps), some debt instruments (such as corporate and Government bonds), and some other investments (such as private markets and alternatives). Assets which are not designated as level 1 or 2 are designated as level 3, such as property funds and the remaining debt instruments and other investments.

Certain assets using unobservable inputs have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and 31 March 2024. Movements in listed equity and other market valuations may be significant over the period therefore the valuation of these assets may also vary significantly. The value of these assets in the UK Plans, included above, is £1.7 billion (2023: £1.6 billion, 2022: £1.9 billion).

Jaguar Land Rover contributes towards the UK defined benefit schemes. Statutory funding valuations are carried out every three years, the latest valuation as at 31 March 2021 was completed on 30 June 2022. The valuations resulted in revised schedules of contributions effective from 1 July 2022. At the point the valuations were agreed each plan was in surplus and, therefore, there are no further deficit recovery contributions currently payable. The ongoing Group contribution rate for the defined benefit accrual during the year ended 31 March 2023 was c.24 per cent of pensionable salaries in the UK, however following changes in financial conditions, from 1 April 2023 this reduced to c.10 per cent. The ongoing rate will vary to reflect prevailing financial conditions over time. The next statutory funding valuations are scheduled as at 31 March 2024 and are expected to be completed by 30 June 2025.

JLR has taken legal advice considering the documentation of the UK schemes and the regulatory environment. This confirmed the recoverability of any surplus in the scheme via reduced future contributions or gradual settlement and JLR has based its accounting judgement on this advice.

The average duration of the benefit obligations at 31 March 2024 is 14.2 years (2023: 14.5 years, 2022: 17.5 years). Higher net discount rates have the effect of reducing the duration of the liabilities and vice versa.

The net periodic pension cost for the next financial year is expected to be £55 million. The Group expects to pay £40 million to its defined benefit schemes, in total, for the next financial year (excluding member contributions through salary sacrifice).

Defined contribution schemes

The Group's contribution to defined contribution schemes for the year ended 31 March 2024 was £118 million (2023: £100 million, 2022: £83 million).

35 COMMITMENTS AND CONTINGENCIES

The following includes a description of contingencies and commitments. The Group assesses such commitments and claims as well as monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in the financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability unless the loss becomes probable. Such potential losses may be of an uncertain timing and/or amounts.

As at 31 March (£ millions)	2024	2023 *	2022 *
Contingencies:			
- Third party claims and obligations	332	722	495
- Taxes and duties	60	61	75
Commitments:			
- Plant and equipment	655	386	735
- Intangible assets	20	15	15
Pledged as collateral/security against the borrowings and commitments:			
- Other financial assets	27	20	13

*The comparatives for the years ended 31 March 2023 and 31 March 2022 have been re-presented to align with presentation changes for the year ended 31 March 2024. Other contingencies are now presented in Third party claims and obligations. This has not resulted in any change to total contingent liabilities and commitments disclosed.

Contingencies

The contingencies disclosed relate to legal and constructive obligations to third parties. There are claims and obligations against the Group which management has not recognised, as settlement is not considered probable. These claims and obligations relate primarily to the following:

- Third party claims and obligations (primarily supplier claims)
- Taxes and duties

The decrease in the period is driven mainly by supplier claims related to ongoing negotiations and lower levels of new claims.

Litigation/Regulatory

Various legal proceedings, claims and governmental investigations are pending against the Group on a range of topics. Adverse decisions in one or more of these proceedings could require the Group to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Legal and regulatory proceedings are subject to many uncertainties, and the outcome of individual matters, or what remedies, if any, may be imposed, is not predictable with assurance. Moreover, the cases and claims against the Group are often derived from complex legal issues that are subject to differing degrees of uncertainty, for example, many of the proceedings are in evidence gathering stages, or the legal basis or nature of the claims is unclear. Therefore, the level of uncertainties can vary depending on the stage of the proceedings. The Group monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. A provision is established in connection with pending or threatened litigation if it is probable there would be an outflow of funds and when the amount can be reasonably estimated. Contingent liabilities are disclosed if there is a possible outflow, and the outflow can be measured. Since these provisions and disclosures represent estimates, provisions for legal proceedings and litigation may vary as the result of future developments in pending matters.

Litigation

The Group faces class action claims in the UK, and individual claims in the EU seeking monetary damages in connection with alleged non-compliance of certain diesel vehicles with emissions regulations.

A class action seeking monetary damages in relation to alleged deficiencies of diesel particulate filters in certain diesel vehicles has been filed in Australia. A similar claim has been issued in England.

At this stage, it is not practicable to estimate the probability, amount or timing of any liability.

Regulatory

We have received inquiries from governmental institutions, agencies and regulatory authorities in the U.K., Germany and France as they examine the on-road tailpipe emissions and emission control systems of several automakers' diesel vehicles.

At this stage, it is not practicable to estimate the probability, amount or timing of any liability.

Competition

The Group has received requests for information and/or been the subject of inspections by competition authorities, including the European Commission and UK Competition and Markets Authority ('CMA'). In March 2022, the European Commission and CMA conducted inspections at the premises of several companies and associations active in the automotive sector. These requests for information and/or inspections from the European Commission and CMA, and so far as JLR is aware in any other jurisdiction, concern possible infringements in relation to the collection, treatment and recovery of end-of-life cars and vans which are considered waste (ELVs). The Group continues to cooperate with these authorities.

At this stage, it is not practicable to estimate the probability, amount or timing of any liability.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and equipment and intangible assets.

Joint venture

Stipulated within the joint venture agreement for Chery Jaguar Land Rover Automotive Company Ltd., and subsequently amended by a change to the Articles of Association of Chery Jaguar Land Rover Automotive Company Ltd. is a commitment for the Group to contribute a total of CNY 5,000 million of capital. Of this amount, CNY 3,475 million has been contributed as at 31 March 2024. The outstanding commitment of CNY 1,525 million translates to £167 million at the 31 March 2024 exchange rate.

The Group’s share of capital commitments of its joint venture at 31 March 2024 is £2 million (2023: £12 million, 2022: £16 million) and contingent liabilities of its joint venture 31 March 2024 is £6 million (2023, 2022: £nil).

36 CAPITAL MANAGEMENT

The Group’s objectives when managing capital are to ensure the going concern operation of all subsidiary companies within the Group and to maintain an efficient capital structure to support ongoing and future operations of the Group and to meet shareholder expectations.

The Group issues debt, primarily in the form of bonds, to meet anticipated funding requirements and maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash in subsidiaries is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure and funding requirements are regularly monitored by the Company’s Board of Directors to ensure sufficient liquidity is maintained by the Group. All debt issuance and capital distributions are approved by the Company’s Board of Directors.

As at 31 March (£ millions)	2024	2023	2022
Short-term debt	1,329	1,548	1,841
Long-term debt	3,557	5,240	5,756
Total debt*	4,886	6,788	7,597
Equity attributable to shareholders	7,279	4,239	4,503
Total capital	12,165	11,027	12,100

*Total debt includes lease obligations of £694 million (2023: £710 million, 2022: £570 million).

Recognition and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity (if any) is transferred to the consolidated income statement.

Financial assets are written off when there is no reasonable expectation of recovery. The Group reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or has expired.

Initial measurement

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in profit or loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories:

Financial assets at amortised cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows. Subsequently, these are measured at amortised cost using the effective interest method less impairment losses, if any. These include cash and cash equivalents, contract assets and other financial assets.

Financial assets at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows as well as to sell the financial asset. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in profit or loss. This category can also include financial assets that are equity instruments which have been irrevocably designated at initial recognition as fair value through other comprehensive income. For these assets, there is no expected credit loss recognised in profit or loss.

Financial assets at fair value through profit or loss are financial assets with contractual cash flows that do not consist solely of payments of principal and interest. This category includes derivatives, embedded derivatives separated from the host contract and investments in certain convertible loan notes. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in profit or loss, with the exception of derivative instruments designated in a hedging relationship, for which hedge accounting is applied.

Classification and measurement – financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss include derivatives and embedded derivatives separated from the host contract as well as financial liabilities held for trading. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in profit or loss. Embedded derivatives relating to prepayment options on senior notes are not considered as closely related and are separately accounted unless the exercise price of these options is approximately equal on each exercise date to either the amortised cost of the senior notes or the present value of the lost interest for the remaining term of the senior notes.

Impairment

The Group recognises a loss allowance in profit or loss for expected credit losses on financial assets held at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

Lifetime expected credit losses are calculated for assets that were deemed credit impaired at initial recognition or have subsequently become credit impaired as well as those where credit risk has increased significantly since initial recognition.

The Group adopts the simplified approach to apply lifetime expected credit losses to trade receivables and contract assets. Where credit risk is deemed low at the reporting date or to have not increased significantly, credit losses for the next 12 months are calculated.

Credit risk is determined to have increased significantly when the probability of default increases. Such increases are relative and assessment may include external ratings (where available) or other information such as past due payments. Historic data and forward-looking information are both considered. Objective evidence for a significant increase in credit risk may include where payment is overdue by 90 or more days as well as other information about significant financial difficulties of the borrower.

Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Investments in equity instruments are measured at fair value; however, where a quoted market price in an active market is not available, equity instruments are measured at cost (investments in equity instruments that are not held for trading). The Group has not elected to account for these investments at fair value through other comprehensive income.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a financial instrument on initial recognition is normally the transaction price.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include the discounted cash flow method and other valuation models.

Hedge accounting

The Group uses foreign currency forward contracts, foreign currency options and borrowings denominated in foreign currency to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates these foreign currency forward contracts, foreign currency options and borrowings denominated in foreign currency in cash flow hedging relationships.

The Group uses cross-currency interest rate swaps to convert some of its foreign currency denominated fixed-rate borrowings to GBP floating-rate borrowings. Hedge accounting is applied using both fair value and cash flow hedging relationships. The designated risks are foreign currency and interest rate risks.

Derivative contracts are stated at fair value on the consolidated balance sheet at each reporting date.

At inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item.

The Group documents its risk management objective and strategy for undertaking its hedging transactions. The Group designates only the intrinsic value of foreign exchange options in the hedging relationship. The Group designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts and cross-currency interest rate swaps. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the consolidated income statement.

Changes in both the time value of foreign exchange options and foreign currency basis spread of foreign exchange forwards and cross-currency interest rate swaps are recognised in other comprehensive income (net of tax) in the cost of hedging reserve to the extent that they relate to the hedged item (the “aligned” value).

Changes in the fair value of contracts that are designated in a fair value hedge are taken to the consolidated income statement. They offset the change in fair value, attributable to the hedged risks, of the borrowings designated as the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the consolidated income statement in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold).

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss in equity, including deferred costs of hedging, is immediately transferred and recognised in the consolidated income statement.

(A) Financial assets and liabilities

The following table shows the carrying amount and fair value of each category of financial assets and liabilities as at 31 March 2024:

As at 31 March 2024 (£ millions)	Fair value through profit and loss				Total carrying value	Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Cash and cash equivalents	4,051	-	-	-	4,051	4,051
Short-term deposits and other investments	103	-	-	-	103	103
Trade receivables	1,236	-	-	-	1,236	1,236
Investments	-	52	-	-	52	52
Other financial assets - current	304	-	52	187	543	543
Other financial assets - non-current	132	-	4	219	355	355
Total financial assets	5,826	52	56	406	6,340	6,340
Accounts payable	7,113	-	-	-	7,113	7,113
Short-term borrowings	1,256	-	-	-	1,256	1,261
Long-term borrowings*	2,936	-	-	-	2,936	3,068
Other financial liabilities - current	620	-	74	191	885	885
Other financial liabilities - non-current	622	-	49	87	758	830
Total financial liabilities	12,547	-	123	278	12,948	13,157

*Included in the long-term borrowings is £428 million that is designated as the hedged item in a fair value hedge relationship. Included within long-term borrowings is £(133) million of fair value adjustments of which £(112) million relates to the ongoing hedge relationship and £(21) million relates to hedge relationships that were discontinued during the year. Included in the long-term borrowings is £952 million that is designated as a hedging instrument in a cash flow hedge relationship.

The following table shows the carrying amount and fair value of each category of financial assets and liabilities as at 31 March 2023:

As at 31 March 2023 (£ millions)	Fair value through profit and loss				Total carrying value	Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Cash and cash equivalents	3,687	-	-	-	3,687	3,687
Short-term deposits and other investments	105	-	-	-	105	105
Trade receivables	1,013	-	-	-	1,013	1,013
Investments	-	43	-	-	43	43
Other financial assets - current	274	-	55	46	375	375
Other financial assets - non-current	78	-	51	20	149	149
Total financial assets	5,157	43	106	66	5,372	5,372
Accounts payable	5,891	-	-	-	5,891	5,891
Short-term borrowings	1,478	-	-	-	1,478	1,476
Long-term borrowings*	4,600	-	-	-	4,600	4,376
Other financial liabilities - current	462	-	89	372	923	923
Other financial liabilities - non-current	651	-	20	452	1,123	1,080
Total financial liabilities	13,082	-	109	824	14,015	13,746

*Included in the long-term borrowings is £438 million that is designated as the hedged item in a fair value hedge relationship. Included within long-term borrowings is £(132) million of fair value adjustments of which £(106) million relates to the ongoing hedge relationship and £(26) million relates to hedge relationships that were discontinued during the year. Included in long-term borrowings is £968 million that is designated as a hedging instrument in a cash flow hedge relationship.

The following table shows the carrying amount and fair value of each category of financial assets and liabilities as at 31 March 2022:

As at 31 March 2022 (£ millions)	Fair value through profit and loss				Total carrying value	Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Cash and cash equivalents	4,223	-	-	-	4,223	4,223
Short-term deposits and other investments	175	-	-	-	175	175
Trade receivables	722	-	-	-	722	722
Investments	-	30	-	-	30	30
Other financial assets - current	209	-	128	57	394	394
Other financial assets - non-current	87	-	85	13	185	185
Total financial assets	5,416	30	213	70	5,729	5,729
Accounts payable	5,144	-	-	-	5,144	5,144
Short-term borrowings	1,779	-	-	-	1,779	1,778
Long-term borrowings*	5,248	-	-	-	5,248	5,216
Other financial liabilities - current	425	-	29	416	870	870
Other financial liabilities - non-current	533	-	52	286	871	901
Total financial liabilities	13,129	-	81	702	13,912	13,909

*Included in the long-term borrowings is £801 million that is designated as the hedged item in a fair value hedge relationship. Included within this figure is £(67) million of fair value adjustments as a result of the hedge relationship.

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Group intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial assets and financial liabilities are subject to master netting arrangements whereby in the case of insolvency, derivative financial assets and financial liabilities can be settled on a net basis.

The following table discloses the amounts that have been offset in arriving at the consolidated balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2024:

As at 31 March 2024 (£ millions)	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to a master netting arrangement		
				Financial instruments	Cash collateral (received)/pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	462	-	462	(315)	-	147
Cash and cash equivalents	4,346	(295)	4,051	-	-	4,051
	4,808	(295)	4,513	(315)	-	4,198
Financial liabilities						
Derivative financial liabilities	401	-	401	(315)	-	86
Short-term borrowings	1,551	(295)	1,256	-	-	1,256
	1,952	(295)	1,657	(315)	-	1,342

The following table discloses the amounts that have been offset in arriving at the consolidated balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2023:

As at 31 March 2023 (£ millions)	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to a master netting arrangement		
				Financial instruments	Cash collateral (received)/pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	172	-	172	(162)	-	10
Cash and cash equivalents	3,923	(236)	3,687	-	-	3,687
	4,095	(236)	3,859	(162)	-	3,697
Financial liabilities						
Derivative financial liabilities	933	-	933	(162)	-	771
Short-term borrowings	1,714	(236)	1,478	-	-	1,478
	2,647	(236)	2,411	(162)	-	2,249

The following table discloses the amounts that have been offset in arriving at the consolidated balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2022:

As at 31 March 2022 (£ millions)	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to a master netting arrangement		
				Financial instruments	Cash collateral (received)/pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	283	-	283	(275)	-	8
Cash and cash equivalents	4,381	(158)	4,223	-	-	4,223
	4,664	(158)	4,506	(275)	-	4,231
Financial liabilities						
Derivative financial liabilities	783	-	783	(275)	-	508
Short-term borrowings	1,937	(158)	1,779	-	-	1,779
	2,720	(158)	2,562	(275)	-	2,287

Fair value hierarchy

The following tables show the levels in the fair value hierarchy for financial assets and liabilities where the carrying value is not a reasonable approximation of fair value:

As at 31 March 2024 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments	-	-	52	52
Derivative assets	-	462	-	462
Total	-	462	52	514
Financial liabilities measured at fair value				
Derivative liabilities	-	401	-	401
Total	-	401	-	401
Financial liabilities not measured at fair value				
Borrowings	3,243	1,086	-	4,329
Total	3,243	1,086	-	4,329

As at 31 March 2023 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments	-	-	43	43
Derivative assets	-	172	-	172
Total	-	172	43	215
Financial liabilities measured at fair value				
Derivative liabilities	-	933	-	933
Total	-	933	-	933
Financial liabilities not measured at fair value				
Borrowings	3,840	2,012	-	5,852
Total	3,840	2,012	-	5,852

As at 31 March 2022 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments	-	-	30	30
Derivative assets	-	283	-	283
Total	-	283	30	313
Financial liabilities measured at fair value				
Derivative liabilities	-	783	-	783
Total	-	783	-	783
Financial liabilities not measured at fair value				
Borrowings	4,684	2,310	-	6,994
Total	4,684	2,310	-	6,994

Reconciliation of level 3 fair values

The following table gives a reconciliation of the movements in level 3 financial assets held at fair value:

Year ended 31 March (£ millions)	2024	2023	2022
Balance at beginning of the year	43	30	22
Originated/purchased during the year	7	7	4
Fair value changes recognised in consolidated income statement	1	9	4
Foreign currency translation	1	(3)	-
Balance at end of the year	52	43	30

Recent transaction values

The pricing of recent investment transactions is the main input of valuations performed by the Group. The Group's policy is to use observable market data where possible for its valuations and, in the absence of portfolio company earnings or revenue to compare, or of relevant comparable businesses' data, recent transaction prices represent the most reliable observable inputs.

Alternative valuation methodologies

Alternative valuation methodologies are used by the Group for reasons specific to individual assets. At 31 March 2024, the alternative technique used was net asset value, representing 100 per cent of alternatively valued assets.

There has been no change in the valuation techniques adopted in either current or prior financial years as presented. There were no transfers between fair value levels in the years ended 31 March 2024, 2023 and 2022.

The derivative financial instruments that are measured subsequent to initial recognition at fair value are classified as Level 2 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices that are observable. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. Fair values of forward derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves from Reuters. Commodity swap contracts are similarly fair valued by discounting expected future contractual cash flows. Option contracts on foreign currency are entered into on a zero cost collar basis and fair value estimates are calculated from standard Black-Scholes options pricing methodology, using prevailing market interest rates and volatilities. The estimate of fair values for cross-currency swaps is calculated using discounted estimated future cash flows. Estimates of the future floating-rate cash flows are based on quoted swap rates, future prices and risk free rates ("SONIA").

Additionally, a credit valuation adjustment/debit value adjustment is taken on derivative financial assets and liabilities and is calculated by discounting the fair value gain or loss on the financial derivative using credit default swap ("CDS") prices quoted for the counterparty or Jaguar Land Rover respectively. CDS prices are obtained from Reuters.

The long-term borrowings are held at amortised cost. The fair value of the listed debt for disclosure purposes is determined using Level 1 valuation techniques, based on the closing price as at 31 March 2024 on the Luxembourg Stock Exchange multilateral trading facility ("EURO MTF") market, for unsecured listed bonds. For bank loans, Level 2 valuation techniques are used.

Fair values of cash and cash equivalents, short-term deposits, trade receivables and payables, and other financial assets and liabilities (current and non-current excluding derivatives and lease obligations) are assumed to approximate cost due to the short-term maturing of the instruments and as the impact of discounting is not significant.

Other investments that are not equity accounted for are recognised at fair value. Where there is an active quoted market, the fair value is determined using Level 1 valuation techniques, based on the closing price at year end. Where there is no active quoted market, the fair values have been determined using Level 3 valuation techniques and the closing valuation as at 31 March 2024 is £52 million (2023: £43 million, 2022: £30 million).

Of the financial assets held at 31 March 2024 and classified as Level 3, 99 per cent (2023: 98 per cent, 2022: 96 per cent) were valued using recent transaction values and 1 per cent (2023: 2 per cent, 2022: 4 per cent) were valued using an alternative technique.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realised in a sales transaction as of the respective dates. The estimated fair value amounts as at 31 March 2024, 2023 and 2022 have been measured as at the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

(B) Financial risk management

The Group is exposed to foreign currency exchange rate, commodity price, interest rate, liquidity and credit risks. The Group has a risk management framework in place, which monitors all of these risks as discussed below and on the next pages. This framework is approved by the Company's Board of Directors.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have a potential impact on the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Chinese Yuan and Euro against the functional currency of the Company and its subsidiaries.

Foreign exchange risk on future transactions is mitigated through the use of derivative contracts. The Group is also exposed to fluctuations in exchange rates that impact the valuation of foreign currency denominated assets and liabilities of its National Sales Companies and also foreign currency denominated balances on the Group's consolidated balance sheet at each reporting period end. In addition to the derivatives designated in hedging relationships as detailed in section (C), the Group enters into foreign currency contracts as economic hedges of recognised foreign currency debt.

The following table provides information relating to foreign currency exposure as at 31 March 2024:

As at 31 March 2024 (£ millions)	US Dollar	Chinese Yuan	Euro	Others
Financial assets	2,197	352	1,810	394
Financial liabilities	(3,327)	(662)	(4,294)	(368)
Net exposure (liability)/asset	(1,130)	(310)	(2,484)	26
10% appreciation/depreciation of the currency would result in additional gain/(loss):				
Impact on net income before tax for financial assets	220/(220)	35/(35)	181/(181)	n/a
Impact on net income before tax for financial liabilities	(333)/333	(66)/66	(429)/429	n/a
Impact on other comprehensive income for financial assets and liabilities	-	-	-	n/a

The following table provides information relating to foreign currency exposure as at 31 March 2023:

As at 31 March 2023 (£ millions)	US Dollar	Chinese Yuan	Euro	Others
Financial assets	1,465	525	1,243	493
Financial liabilities	(3,318)	(1,178)	(4,737)	(301)
Net exposure (liability)/asset	(1,853)	(653)	(3,494)	192
10% appreciation/depreciation of the currency would result in additional gain/(loss):				
Impact on net income before tax for financial assets	147/(147)	53/(53)	124/(124)	n/a
Impact on net income before tax for financial liabilities	(332)/332	(118)/118	(474)/474	n/a
Impact on other comprehensive income for financial assets and liabilities	-	-	-	n/a

The following table provides information relating to foreign currency exposure as at 31 March 2022:

As at 31 March 2022 (£ millions)	US Dollar	Chinese Yuan	Euro	Others
Financial assets	1,640	393	1,036	420
Financial liabilities	(3,557)	(1,148)	(4,220)	(279)
Net exposure (liability)/asset	(1,917)	(755)	(3,184)	141
10% appreciation/depreciation of the currency would result in additional gain/(loss):				
Impact on net income before tax for financial assets	164/(164)	39/(39)	104/(104)	n/a
Impact on net income before tax for financial liabilities	(356)/356	(115)/115	(422)/422	n/a
Impact on other comprehensive income for financial assets and liabilities	-	-	-	n/a

Commodity price risk

The Group is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted and are measured at fair value through profit or loss.

The total fair value loss on commodities of £133 million (2023: £132 million, 2022: gain of £131 million) has been recognised in "Foreign exchange (loss)/gain and fair value adjustments" in the consolidated income statement.

A 10 per cent appreciation/depreciation of all commodity prices underlying such contracts would have resulted in a gain/(loss) of £91 million (2023: £59 million, 2022: £52 million).

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Group.

In addition to issuing long-term fixed-rate bonds, the Group has other facilities in place that are primarily used to finance working capital and are subject to variable interest rates. When undertaking a new debt issuance, the Company's Board of Directors will consider the fixed/floating interest rate mix of the Group, the outlook for future interest rates and the appetite for certainty of funding costs.

The Group uses cross-currency interest rate swaps to convert some of its issued debt from foreign currency denominated fixed-rate debt to GBP floating-rate debt. The derivative instruments and the foreign currency fixed-rate debt may be designated in a hedging relationship.

As at 31 March 2024, short-term borrowings of £831 million (2023: £250 million, 2022: £401 million) and long-term borrowings of £219 million (2023: £1,061 million, 2022: £1,260 million) were subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of £11 million (2023: £13 million, 2022: £17 million) in the consolidated income statement.

The risk estimates provided assume a parallel shift of 100 basis points in interest rates across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year-end balances are not necessarily representative of the average debt outstanding during the year.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and undrawn borrowing facilities to meet the Group's operating requirements with an appropriate level of headroom.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at 31 March 2024 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	7,113	7,113	7,113	-	-	-
Long-term borrowings and accrued interest	2,990	3,725	180	1,279	1,822	444
Short-term borrowings and accrued interest	1,274	1,340	1,340	-	-	-
Lease obligations	694	1,131	124	109	245	653
Other financial liabilities	476	528	511	17	-	-
Derivative financial instruments	401	410	234	137	39	-
Total contractual maturities	12,948	14,247	9,502	1,542	2,106	1,097

As at 31 March 2023 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	5,891	5,891	5,891	-	-	-
Long-term borrowings and accrued interest	4,651	5,707	251	1,529	2,989	938
Short-term borrowings and accrued interest	1,504	1,551	1,551	-	-	-
Lease obligations	710	1,196	118	103	243	732
Other financial liabilities	326	383	333	28	22	-
Derivative financial instruments	933	915	457	277	181	-
Total contractual maturities	14,015	15,643	8,601	1,937	3,435	1,670

As at 31 March 2022 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	5,144	5,144	5,144	-	-	-
Long-term borrowings and accrued interest	5,315	6,447	246	1,045	3,356	1,800
Short-term borrowings and accrued interest	1,793	1,833	1,833	-	-	-
Lease obligations	570	944	103	85	195	561
Other financial liabilities	307	325	293	32	-	-
Derivative financial instruments	783	1,065	510	278	275	2
Total contractual maturities	13,912	15,758	8,129	1,440	3,826	2,363

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligation. The majority of the Group's credit risk pertains to the risk of financial loss arising from counterparty default on cash investments.

The carrying amount of financial assets represents the maximum credit exposure. None of the financial instruments of the Group result in material concentrations of credit risks.

All Group cash is invested according to strict credit criteria and actively monitored by Group Treasury in conjunction with the current market valuation of derivative contracts. To support this, the Company's Board of Directors has implemented an investment policy that places limits on the maximum cash investment that can be made with any single counterparty depending on their published external credit rating.

To a lesser extent the Group has an exposure to counterparties on trade receivables and other financial assets. The Group seeks to mitigate credit risk on sales to third parties through the use of payment at the point of delivery, credit limits, credit insurance and letters of credit from banks that meet internal rating criteria.

Financial assets

None of the Group's cash equivalents, including term deposits with banks, are past due or impaired. Regarding other financial assets that are neither past due nor impaired, there were no indications as at 31 March 2024 (2023 and 2022: no indications) that defaults in payment obligations will occur.

The Group has reviewed trade and other receivables not yet due and not impaired and no material issues have been identified.

Trade receivables past due and impaired are set out below:

As at 31 March (£ millions)	2024			2023			2022		
	Gross	Impairment	Net carrying value	Gross	Impairment	Net carrying value	Gross	Impairment	Net carrying value
Not yet due	1,160	(4)	1,156	981	(2)	979	640	(2)	638
Overdue <3 months	74	-	74	34	-	34	74	-	74
Overdue 3-6 months	1	-	1	1	(1)	-	8	-	8
Overdue >6 months	7	(2)	5	1	(1)	-	4	(2)	2
Total	1,242	(6)	1,236	1,017	(4)	1,013	726	(4)	722

Off-balance sheet financial arrangements

At 31 March 2024, Jaguar Land Rover Limited (a subsidiary of the company) had sold £588 million equivalent of trade receivables under its debt factoring facility, which was renewed during the year ended 31 March 2023 to a \$900 million facility.

(C) Derivatives and hedge accounting

The Group's operations give rise to revenue, raw material purchases and borrowings in currencies other than the Group's presentation currency of GBP. The Group forecasts these transactions over the medium term and enters into derivative contracts to mitigate the resulting foreign currency exchange risk, interest rate risk and commodity price risk. The Group's risk management strategy allows for hedge accounting when the derivatives meet the hedge accounting criteria as set out in IFRS 9 as well as the Group's risk management objectives.

Commodity derivatives are not hedge accounted. Foreign currency forward contracts, foreign currency options and foreign currency denominated borrowings may be designated as hedging instruments in a cash flow hedge relationship against forecast foreign currency transactions to mitigate foreign currency exchange risk associated with those transactions.

In addition, the Group uses cross-currency interest rate swaps to hedge its foreign currency exchange risk associated with recognised borrowings. These instruments may be designated in both cash flow and fair value hedging relationships, or may be economic hedges of debt. The Group also manages foreign exchange risk on recognised borrowings using FX swaps. The Group utilises FX spot & FX swap contracts to manage operational requirements.

During the year ended 31 March 2023, the Group designated US Dollar bonds with a principal amount of \$1.2 billion in a cash flow hedge relationship against forecast US Dollar revenue between the periods 2025 to 2027.

During the year ended 31 March 2023, the cross-currency interest rate swaps designated in a fair value and cash flow hedge against USD debt were settled on their break date. The gain on the swaps was recognised during the year, with the settlement amount of the swaps deemed to be the best indicator of fair value on break date. The fair value adjustment associated with the hedge is being amortised over the remaining life of the bond.

The (loss)/gain on the derivatives that are not designated in hedging relationships, whose fair value movements are recognised in 'Foreign exchange (loss)/gain and fair value adjustments' in the consolidated income statement, is as follows:

Year ended 31 March (£ millions)	2024	2023	2022
Commodity derivative contracts	(133)	(133)	131
Foreign currency derivative contracts	(138)	109	72
Interest rate derivative contracts	-	100	25
Total (loss)/gain	(271)	76	228

During the year ended 31 March 2023, cross-currency interest rate swaps used in an economical hedge against USD debt were settled on their break date. The gain on the swaps was recognised during the year, with the settlement amount of the swaps deemed to be the best indicator of fair value on break date.

In all cases the Group uses a hedge ratio of 1:1. The critical terms of the derivative contracts are aligned with those of the hedged item. The Group allows a maximum hedging term of five years for forecast transactions. The Group's risk management policy allows for decreasing levels of hedging as the forecasting horizon increases.

A 10 per cent depreciation/appreciation in Sterling against the foreign currency underlying contracts within the Group's derivative portfolio that are sensitive to changes in foreign exchange rates (including the impact to the fair value adjustment of foreign currency borrowing designated as the hedged item in a fair value hedge relationship, excluding US Dollar bonds designated in a cash flow hedging relationship) would have resulted in the approximate additional (loss)/gain shown in the table below:

As at 31 March (£ millions)	2024	2023	2022
10% depreciation in Sterling against the foreign currency:			
In other comprehensive income	(1,618)	(1,413)	(1,119)
In the consolidated income statement	395	540	476
10% appreciation in Sterling against the foreign currency:			
In other comprehensive income	1,248	1,214	959
In the consolidated income statement	(324)	(438)	(369)

The following table sets out the change in the Group's exposure to interest rate risk as a result of hedge accounted cross-currency interest rate swaps:

Outstanding contracts	Foreign currency receivable average interest rate			Reporting currency payable average interest rate		
	%	%	%	%	%	%
	2024	2023	2022	2024	2023	2022
Cross currency interest rate swaps						
< 1 year	-	-	-	-	-	-
Between 1-5 years	4.500%	4.500%	4.500%	SONIA +5.587	SONIA + 5.247	SONIA + 4.777
>5 years	-	-	4.500%	-	-	LIBOR + 2.033

The following table shows the impact that would result from interest rate derivatives and any related hedging relationships given an increase/decrease of 100 basis points in interest rates at the balance sheet date:

As at 31 March (£ millions)	2024	2023	2022
100 basis points depreciation in interest rates In the consolidated income statement	-	(2)	(22)
100 basis points appreciation in interest rates In the consolidated income statement	-	2	21

Cash flow hedges

The Group uses foreign currency options, foreign currency forward contracts and recognised foreign currency borrowings as the hedging instruments in cash flow hedge relationships of hedged sales and purchases. The time value of options and the foreign currency basis spread of foreign exchange forward contracts are excluded from the hedge relationship and are recognised in other comprehensive income as a cost of hedging to the extent they relate to the hedged item (the aligned value). Additionally, the Group uses cross-currency interest rate swaps as the hedging instrument of the foreign exchange risk of recognised foreign currency borrowings.

Changes in the fair value of foreign currency contracts, to the extent determined to be an effective cash flow hedge, are recognised in the consolidated statement of comprehensive income, and the ineffective portion of the fair value change is recognised in the consolidated income statement. The main sources of ineffectiveness are timing differences in the payment of the hedging instrument and hedged item and application differences in relation to discounting of the hedged item in comparison to the hedging instrument.

It is anticipated that the hedged sales will take place over the next one to five years, at which time the amount deferred in equity will be reclassified to revenue in the consolidated income statement.

It is anticipated that the hedged purchases will take place over the next one to five years, at which time the amount deferred in equity will be included in the carrying amount of the raw materials. On sale of the finished product, the amount previously deferred in equity and subsequently recognised in inventory will be reclassified to material and other cost of sales in the consolidated income statement.

The foreign currency borrowings designated as the hedged item mature in January 2026, at which time the amount deferred in equity will be reclassified to the consolidated income statement.

The table below sets out the timing profile of the hedge accounted derivatives:

Outstanding contracts As at 31 March	Average strike rate			Nominal amounts			Carrying value liabilities		
	2024	2023	2022	2024 £ millions	2023 £ millions	2022 £ millions	2024 £ millions	2023 £ millions	2022 £ millions
Cash flow hedges of foreign exchange risk on forecast transactions									
Derivative instruments									
Sell - USD									
<1 year	0.7699	0.7528	0.7604	3,862	2,761	2,882	(95)	(188)	5
Between 1-5 years	0.7777	0.7581	0.7361	4,731	4,199	3,734	(45)	(234)	(77)
Sell - Chinese Yuan									
<1 year	0.1150	0.1139	0.1094	2,815	2,674	2,819	116	(114)	(235)
Between 1-5 years	0.1164	0.1159	0.1123	4,583	4,894	3,521	122	(184)	(126)
Buy - Euro									
<1 year	0.9274	0.8915	0.8875	2,907	1,984	2,892	(14)	20	(111)
Between 1-5 years	0.9453	0.9129	0.8860	1,149	41	1,254	(6)	-	(5)
Other currencies									
<1 year	-	-	-	956	730	873	45	(6)	(17)
Between 1-5 years	-	-	-	1,660	848	870	60	(2)	(28)
Debt instruments denominated in foreign currency									
Sell - USD									
Between 1-5 years	0.8889	0.6287	-	1,067	1,068	-	(952)	(968)	-
Total cash flow hedges of foreign exchange risk on forecast transactions				23,730	19,199	18,845	(769)	(1,676)	(594)
Hedges of foreign exchange risk on recognised debt									
Cross currency interest rate swaps									
USD									
>5 years	-	-	0.7592	-	-	380	-	-	1
Total cash flow hedges of foreign exchange risk on recognised debt				-	-	380	-	-	1

The line items in the consolidated balance sheet that include the above derivative instruments are "Other financial assets" and "Other financial liabilities".

The following table sets out the effect of the Group's cash flow hedges on the financial performance of the Group:

Year ended 31 March (£ millions)	2024	2023	2022
Fair value gain/(loss) of foreign currency derivative contracts recognised in hedging reserves	844	(744)	(816)
Fair value gain of derivatives hedging foreign currency borrowings recognised in hedging reserves	-	7	5
Gain/(loss) recognised in other comprehensive income in the year	844	(737)	(811)
(Loss)/gain reclassified from cash flow hedging reserve and recognised in 'Revenue' in the income statement	(54)	(590)	75
Gain/(loss) reclassified from cash flow hedging reserve and recognised in 'Foreign exchange (loss)/gain and fair value adjustments' in the income statement on account of forecast transactions no longer expected to occur	3	(12)	10
(Loss)/gain reclassified to profit and loss in the year	(51)	(602)	85
Net change in the hedged item used for assessing hedge effectiveness	801	(148)	(762)
(Loss)/gain on derivatives not hedge accounted, recognised in 'Foreign exchange (loss)/gain and fair value adjustments' in the income statement	(138)	108	72

The following amounts have been recognised in the consolidated income statement in relation to USD bonds designated as hedging instruments in cash flow hedges:

Year ended 31 March (£ millions)	2024	2023	2022
Net loss in the hedged item used for assessing hedge effectiveness	(50)	(55)	-
Fair value gain in the hedging instruments used in assessing hedge effectiveness, taken to the consolidated income statement in 'Foreign exchange (loss)/gain and fair value adjustments'	117	95	-
Ineffectiveness recognised in the consolidated income statement in 'Foreign exchange (loss)/gain and fair value adjustments'	67	40	-

Fair value hedges

During the years ended 31 March 2024, 2023, and 2022 the Group used cross-currency interest rate swaps as the hedging instrument in a fair value hedge of foreign exchange and interest rate risks of foreign currency denominated debt. The derivatives converted foreign currency USD and EUR fixed-rate borrowings to GBP floating-rate debt.

The USD swaps were settled during the year ended 31 March 2023.

The fair value of the cross-currency interest rate swaps, included in "Derivatives in hedging relationship" in section (A), are as follows:

As at 31 March (£ millions)	2024	2023	2022
Other financial assets - non-current	-	-	1
Total financial assets	-	-	1
Other financial liabilities - current	55	37	-
Other financial liabilities - non-current	-	12	39
Total financial liabilities	55	49	39

The following amounts have been recognised in relation to fair value hedges in the consolidated income statement:

Year ended 31 March (£ millions)	2024	2023	2022
Net gain in the hedged item used for assessing hedge effectiveness, taken to the consolidated income statement in 'Foreign exchange (loss)/gain and fair value adjustments'	19	26	51
Fair value changes in the derivative instruments used in assessing hedge effectiveness, taken to the consolidated income statement in 'Foreign exchange (loss)/gain and fair value adjustments'	(3)	1	(36)
Ineffectiveness recognised in the consolidated income statement in 'Foreign exchange (loss)/gain and fair value adjustments'	16	27	15

The table below sets out timing profile of the hedge accounted derivatives:

Outstanding contracts As at 31 March	Average strike rate			Nominal amounts			Carrying value liabilities		
	2024	2023	2022	2024 £ millions	2023 £ millions	2022 £ millions	2024 £ millions	2023 £ millions	2022 £ millions
Hedges of foreign exchange risk on recognised debt									
Cross currency interest rate swaps									
EUR									
Between 1-5 years	0.8912	0.8912	0.8912	446	446	446	(55)	(50)	(39)
Total fair value hedges of foreign exchange risk on recognised debt				446	446	446	(55)	(50)	(39)

The line items in the consolidated balance sheet that include the above derivative instruments are “Other financial assets” and “Other financial liabilities”.

38 SEGMENTAL REPORTING

Operating segments are defined as components of the Group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Group operates in the automotive segment. The automotive segment includes all activities relating to design, development, manufacture and marketing of vehicles including financing thereof, as well as sale of related parts and accessories and services from which the Group derives its revenues. The Group has only one operating segment, so no separate segment report is given.

The geographic spread of sales by customer location and non-current assets (comprising Property, plant and equipment, Intangible assets and Right-of-use assets) is as disclosed below:

£ millions	UK	US	China	Rest of Europe	Rest of World	Total
31 March 2024						
Revenue	5,066	6,530	5,477	5,396	6,526	28,995
Non-current assets	10,582	49	105	826	176	11,738
31 March 2023						
Revenue	3,932	5,196	4,581	4,327	4,773	22,809
Non-current assets restated*	10,015	55	136	944	191	11,341
31 March 2022						
Revenue	3,164	4,320	4,176	3,248	3,412	18,320
Non-current assets restated*	10,577	60	131	1,050	205	12,023

*See note 2 for details of restatement as a result of a change in accounting policy.

39 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(A) Reconciliation of profit/(loss) for the year to cash generated from operating activities

Year ended 31 March (£ millions)	2024	2023 Restated*	2022 Restated*
Profit/(loss) for the year	2,578	(60)	(822)
Adjustments for:			
Depreciation and amortisation*	2,175	2,107	2,021
Write-down of tangible assets	3	-	3
Write-down of intangible assets	-	-	9
Fair value adjustments in relation to assets held for sale	6	26	-
Loss/(gain) on disposal of fixed assets and assets held for sale	20	10	(1)
Income tax (credit)/expense	(413)	157	367
Finance expense (net)	469	507	369
Finance income	(164)	(67)	(9)
Foreign exchange on debt, derivatives and balance sheet revaluation	(60)	14	38
Foreign exchange gain on other restricted deposits	-	-	(2)
Unrealised loss/(gain) on commodities	59	163	(48)
Share of (profit)/loss of equity accounted investments	(23)	(15)	18
Fair value gain on equity investments	(1)	(9)	(4)
Exceptional items	-	(161)	43
Other non-cash adjustments	(1)	-	3
Cash flows from operating activities before changes in assets and liabilities	4,648	2,672	1,985
Trade receivables and other assets	(305)	(450)	(292)
Other financial assets	(96)	166	8
Inventories	(510)	(489)	254
Accounts payable, other liabilities and retirement benefit obligation*	1,396	633	(929)
Other financial liabilities	47	17	(95)
Provisions	116	41	(359)
Cash generated from operations	5,296	2,590	572

*See note 2 for details of restatement as a result of a change in accounting policy.

(B) Reconciliation of movements of liabilities to cash flows arising from financing activities

£ millions	Borrowings	Lease obligations	Interest accrued	Total
Balance at 1 April 2021	6,178	519	84	6,781
Cash flows				
Proceeds from issue of financing	2,095	-	-	2,095
Repayment of financing	(1,347)	(71)	-	(1,418)
Arrangement fees paid	(13)	-	-	(13)
Interest paid	-	(45)	(322)	(367)
Non-cash movements				
Issue of new leases	-	136	-	136
Interest accrued	-	45	331	376
Foreign currency translation	169	13	2	184
Lease terminations	-	(27)	-	(27)
Fee amortisation	11	-	-	11
Fair value adjustment on borrowings	(66)	-	-	(66)
Balance at 31 March 2022	7,027	570	95	7,692
Cash flows				
Proceeds from issue of financing	1,261	-	-	1,261
Repayment of financing	(2,426)	(72)	-	(2,498)
Interest paid	-	(54)	(384)	(438)
Non-cash movements				
Issue of new leases	-	209	-	209
Interest accrued	-	54	377	431
Foreign currency translation	325	3	7	335
Fee amortisation	12	-	-	12
Long-term borrowings revaluation in hedge reserve	(55)	-	-	(55)
Fair value adjustment on borrowings	(66)	-	-	(66)
Balance at 31 March 2023	6,078	710	95	6,883
Cash flows				
Repayment of financing	(1,752)	(74)	-	(1,826)
Interest paid	-	(56)	(356)	(412)
Non-cash movements				
Issue of new leases	-	68	-	68
Interest accrued	-	56	345	401
Foreign currency translation	(133)	(10)	-	(143)
Fee amortisation	9	-	-	9
Long-term borrowings revaluation in hedge reserve	5	-	-	5
Fair value adjustment on borrowings	(1)	-	-	(1)
Gain on early repayment of borrowings	(14)	-	-	(14)
Balance at 31 March 2024	4,192	694	84	4,970

Included within 'finance expenses and fees paid' in the consolidated cash flow statement is £82 million (2023: £57 million, 2022: £22 million) of cash interest paid relating to other assets and liabilities not included in the reconciliation above.

40 RELATED PARTY TRANSACTIONS

Tata Sons Private Limited is a company with significant influence over the Group's ultimate parent company Tata Motors Limited. The Group's related parties therefore include Tata Sons Private Limited, subsidiaries and joint ventures of Tata Sons Private Limited and subsidiaries, joint ventures and associates of Tata Motors Limited. The Group routinely enters into transactions with its related parties in the ordinary course of business, including transactions for the sale and purchase of products with its joint ventures, and IT and consultancy services received from subsidiaries of Tata Sons Private Limited.

All transactions with related parties are conducted under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

Transactions and balances with the Group's own subsidiaries are eliminated on consolidation.

The table below summarises related party transactions and balances not eliminated in the consolidated financial statements:

£ millions	Joint ventures	Associates and their subsidiaries	Tata Sons Private Limited, its subsidiaries and joint ventures	Immediate or ultimate parent and its subsidiaries, joint ventures and associates
31 March 2024				
Sale of products	219	-	1	81
Purchase of goods	54	154	-	144
Services received	-	-	315	150
Services rendered	90	-	34	3
Dividends received	2	-	-	-
Trade and other receivables	32	-	-	100
Accounts payable	7	5	49	80
31 March 2023				
Sale of products	253	-	2	33
Purchase of goods	59	91	-	95
Services received	-	-	195	100
Services rendered	110	-	-	3
Trade and other receivables	33	-	-	43
Accounts payable	-	3	26	33
31 March 2022				
Sale of products	263	-	2	26
Purchase of goods	39	-	-	82
Services received	-	-	152	72
Services rendered	97	-	-	1
Trade and other receivables	30	-	-	25
Accounts payable	-	-	16	30

Compensation of key management personnel

Year ended 31 March (£ millions)	2024	2023	2022
Short-term benefits	24	19	20
Other long-term employee benefits	-	-	(1)
Compensation for loss of office	-	2	5
Total compensation of key management personnel	24	21	24

41 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The immediate parent undertaking is TML Holdings Pte. Ltd. (Singapore), which is the parent for the smallest group to consolidate these financial statements. The ultimate parent undertaking and controlling party is Tata Motors Limited, India, which is the parent of the largest group to consolidate these financial statements.

Copies of the TML Holdings Pte. Ltd. (Singapore) consolidated financial statements can be obtained from the Company Secretary, TML Holdings Pte. Ltd., 9 Battery Road #15-01 MYP Centre, Singapore 049910.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai-400001, India.

42 SUBSEQUENT EVENTS

In May 2024, the Company proposed and paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY BALANCE SHEET

As at 31 March (£ millions)	Note	2024	2023	2022
Non-current assets				
Investments	43	1,655	1,655	1,655
Other financial assets	44	3,042	4,686	5,288
Other non-current assets	45	7	9	4
Total non-current assets		4,704	6,350	6,947
Current assets				
Other financial assets	44	1,830	1,358	1,727
Other current assets	45	-	-	4
Total current assets		1,830	1,358	1,731
Total assets		6,534	7,708	8,678
Current liabilities				
Accounts payable		16	-	-
Other financial liabilities	47	75	87	85
Deferred finance income		3	2	6
Short-term borrowings	48	1,256	820	1,180
Current tax liabilities		-	1	4
Total current liabilities		1,350	910	1,275
Non-current liabilities				
Long-term borrowings	48	3,034	4,697	5,280
Deferred finance income		20	35	37
Total non-current liabilities		3,054	4,732	5,317
Total liabilities		4,404	5,642	6,592
Equity attributable to shareholder of the parent				
Ordinary share capital	49	1,501	1,501	1,501
Capital redemption reserve	49	167	167	167
Retained earnings		462	398	418
Equity attributable to shareholder of the parent		2,130	2,066	2,086
Total liabilities and equity		6,534	7,708	8,678

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company income statement. The profit for the Company for the year was £64 million (2023: loss of £20 million, 2022: loss of £4 million).

The notes on pages 148 to 155 are an integral part of the these financial statements.

These parent company financial statements were approved by the Company's Board of Directors and authorised for issue on 31 May 2024.

They were signed on its behalf by:



ADRIAN MARDELL

CHIEF EXECUTIVE OFFICER

COMPANY REGISTERED NUMBER: 06477691

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

£ millions	Ordinary share capital	Capital redemption reserve	Retained earnings	Total equity
Balance at 1 April 2021	1,501	167	422	2,090
Loss for the year	-	-	(4)	(4)
Total comprehensive expense	-	-	(4)	(4)
Balance at 31 March 2022	1,501	167	418	2,086
Loss for the year	-	-	(20)	(20)
Total comprehensive expense	-	-	(20)	(20)
Balance at 31 March 2023	1,501	167	398	2,066
Profit for the year	-	-	64	64
Total comprehensive income	-	-	64	64
Balance at 31 March 2024	1,501	167	462	2,130

The notes on pages 148 to 155 are an integral part of these financial statements.

PARENT COMPANY CASH FLOW STATEMENT

Year ended 31 March (£ millions)	2024	2023	2022
Cash flows from operating activities			
Profit/(loss) for the year	64	(20)	(4)
Adjustments for:			
Income tax expense	5	-	-
Allowances for other financial assets	(37)	8	3
Foreign exchange loss	-	8	-
Finance income	(353)	(370)	(319)
Finance expense	311	376	320
Cash flows (used in)/generated from operating activities before changes in assets and liabilities	(10)	2	-
Financial assets	(3)	2	-
Financial liabilities	10	(2)	4
Net cash (used in)/generated from operating activities	(3)	2	4
Cash flows from investing activities			
Finance income received	325	384	323
Loans issued to subsidiaries	-	-	(1,417)
Repayments of loans by subsidiaries	1,143	1,235	558
Net cash generated from/(used in) investing activities	1,468	1,619	(536)
Cash flows from financing activities			
Finance expenses and fees paid	(336)	(386)	(327)
Proceeds from issuance of borrowings	-	-	1,417
Repayment of borrowings	(1,129)	(1,235)	(558)
Net cash (used in)/generated from financing activities	(1,465)	(1,621)	532
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents at the beginning of year	-	-	-
Cash and cash equivalents at end of year	-	-	-

The notes on pages 148 to 155 are an integral part of these financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

43 INVESTMENTS

Investments consist of the following:

As at 31 March (£ millions)	2024	2023	2022
Cost of unquoted equity investments at beginning and end of year	1,655	1,655	1,655

The Company has not made any investments or disposals of investments in the year.

The Company has the following 100 per cent direct interest in the ordinary shares of a subsidiary undertaking:

Subsidiary undertaking	Principle place of business and country of incorporation	Registered office address
Jaguar Land Rover Holdings Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England

The shareholding above is recorded at cost.

Details of the indirect subsidiary undertakings are as follows:

Name of company	Shareholding	Principle place of business and country of incorporation	Registered office address
Jaguar Land Rover Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Daimler Transport Vehicles Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
S S Cars Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
The Lanchester Motor Company Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
The Daimler Motor Company Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover Pension Trustees Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
JLR Nominee Company Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Cars Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Land Rover Exports Limited (dormant)	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover (South Africa) Holdings Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Racing Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
In-Car Ventures Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures 2 Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures 3 Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover Ventures Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Bowler Motors Limited	100%	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover Austria GmbH	100%	Austria	Fasaneriestraße 35, A-5020 Salzburg, Austria
Jaguar Land Rover Australia Pty Limited	100%	Australia	Level 1, 189 O'Riordan Street, Mascot, New South Wales, 2020, Australia
Jaguar Land Rover Belux NV	100%	Belgium	Generaal Lemanstraat 47, 2018 Antwerpen, Belgium
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	100%	Brazil	Avenida Ibirapuera 2.332, Torre I - 10º andar- Moema, 04028-002, São Paulo, SP, Brazil
Jaguar Land Rover Canada ULC	100%	Canada	75 Courtneypark Drive West, Unit 3 Mississauga, ON L5W 0E3, Canada
Jaguar Land Rover (Ningbo) Trading Co., Ltd.	100%	China	Room 3680, Office Building 12, No.1 Meishan Salt Field, Beilun District, Ningbo, Zhejiang Province, China
Jaguar Land Rover (China) Investment Co., Ltd (formerly Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd)	100%	China	R713, F7, No. 6 (Field 001, Zone C1), Jilong Road, Free Trade Zone, Shanghai, China
Shanghai Jaguar Land Rover Automotive Service Co. Ltd	100%	China	Room E16, Floor 2, 477, FuTe West 1 Road, Free Trade Zone, Shanghai, China
Jaguar Land Rover Colombia S.A.S. (dormant)	100%	Colombia	CL 67735 OFE, 1204 Bogotan Cundinamarca 1 3192 900, Colombia

Name of company	Shareholding	Principle place of business and country of incorporation	Registered office address
Jaguar Land Rover France S.A.S.	100%	France	Tower Defense Plaza, 23 rue Delarivière Lefoullon, 92800 Puteaux, France
Jaguar Land Rover Deutschland GmbH	100%	Germany	Campus Kronberg 7, 61476, Kronberg im Taunus, Germany
Jaguar Land Rover Classic Deutschland GmbH	100%	Germany	Geschäftsanschrift: Ringstraße 38, 45219 Essen, Germany
Jaguar Land Rover Nederland BV	100%	Holland	Van Deventerlaan 31, 3528AG Utrecht, The Netherlands
Jaguar Land Rover Hungary KFT	100%	Hungary	1134 Budapest, Vaci ut 47/e, Hungary
Jaguar Land Rover India Limited	100%	India	Nanavati Mahalaya, 3rd floor, 18, Homi Mody Street, Mumbai, Maharashtra, India 400001
Land Rover Ireland Limited (non-trading)	100%	Ireland	c/o LK Shields Solicitors, 39/40 Upper Mount Street, Dublin 2, Ireland
Jaguar Land Rover Ireland (Services) Limited	100%	Ireland	C/o LK Shields Solicitors 38 Upper Mount Street Dublin 2 Ireland
Jaguar Land Rover Italia SpA	100%	Italy	Viale Alessandro Marchetti, n. 105 - 00148, Roma, Italy
Jaguar Land Rover Japan Limited	100%	Japan	9F Garden city Shinagawagotenyama 6-7-29,Kitashinagawa, Shinagawa-ku,Tokyo Japan
Jaguar Land Rover Korea Co., Limited	100%	Korea	25F West Mirae Asset Center 1 Building 67 Suha-dong, Jung-gu Seoul 100-210, Korea
Jaguar Land Rover Portugal -Veiculos e Pecas, Lda.	100%	Portugal	Edificio Escritórios do Tejo, Rua. Do Pólo Sul Nº2 - 3ºB-3, Parque das Nações, 1990-273 Lisboa, Portugal
Jaguar Land Rover México, S.A.P.I. de C.V.	100%	Mexico	Av. Javier Barros Sierra No.540 Piso 7 Oficina 703, Col. Santa Fe la Fe Del., Alvaro Obregón, México, D.F. C.P. 01210
Jaguar Land Rover Servicios México, S.A. de C.V.	100%	Mexico	Av. Javier Barros Sierra No.540 Piso 7 Oficina 703, Col. Santa Fe la Fe Del., Alvaro Obregón, México, D.F. C.P. 01210
Limited Liability Company "Jaguar Land Rover" (Russia)	100%	Russia	28B, Building 2 Mezhdunarodnoe Shosse 141411, Moscow, Russian Federation
Jaguar Land Rover Singapore Pte. Ltd	100%	Singapore	138 Market Street, CapitaGreen, Singapore, 048946
Jaguar Land Rover Slovakia s.r.o.	100%	Slovakia	Horné lúky, 4540/1, 949 01 Nitra, Slovakia
Jaguar Land Rover (South Africa) (Pty) Ltd	100%	South Africa	28 Victoria Link, Route 21 Corporate Park, Nellmapius Drive, Irene, Gauteng, South Africa, 0157
Jaguar Cars South Africa (Pty) Ltd (dormant)	100%	South Africa	28 Victoria Link Route 21 Corporate Park Nellmapius Drive Irene X30, South Africa
Jaguar Land Rover Espana SL	100%	Spain	Calle del Puerto de Somport 21-23, 4ª planta, edificio A, 28050 Madrid, Spain
Jaguar Land Rover Taiwan Company LTD	100%	Taiwan	12F, No. 40, Sec. 1, Chengde Road, Datong Dist., Taipei, City 103, Taiwan (R.O.C.)
Jaguar Land Rover Classic USA LLC (dormant)	100%	USA	251 Little Falls Drive, Wilmington, Delaware, USA
Jaguar Land Rover North America, LLC.	100%	USA	100 Jaguar Land Rover Way, Mahwah, NJ 07495, USA

Details of the indirect holdings in equity accounted investees are given in note 16 to the consolidated financial statements.

44 OTHER FINANCIAL ASSETS

As at 31 March (£ millions)	2024	2023	2022
Non-current			
Receivables from subsidiaries	3,042	4,686	5,288
Current			
Receivables from subsidiaries	1,830	1,358	1,727

£3,042 million (2023: £4,686 million, 2022: £5,288 million) of non-current receivables from subsidiaries and £1,258 million (2023: £815 million, 2022: £1,260 million) of current receivables from subsidiaries comprise of loans to indirect subsidiaries under terms matching the external interest-bearing loans and borrowings given in note 48.

45 OTHER ASSETS

As at 31 March (£ millions)	2024	2023	2022
Non-current			
Prepaid expenses	7	9	4
Current			
Prepaid expenses	-	-	4

46 DEFERRED TAX ASSETS AND LIABILITIES

The company has no recognised deferred tax assets or liabilities as at 31 March 2024, 2023 or 2022.

47 OTHER FINANCIAL LIABILITIES

As at 31 March (£ millions)	2024	2023	2022
Current			
Interest accrued	75	86	84
Other	-	1	1
Total current other financial liabilities	75	87	85

48 INTEREST-BEARING LOANS AND BORROWINGS

As at 31 March (£ millions)	2024	2023	2022
Current portion of EURO MTF listed debt	427	571	779
Current portion of bank loans	829	249	401
Short-term borrowings	1,256	820	1,180
EURO MTF listed debt	2,817	3,644	4,020
Bank loans	217	1,053	1,260
Long-term borrowings	3,034	4,697	5,280
Total debt	4,290	5,517	6,460

Euro MTF listed debt

The bonds are listed on the Luxembourg Stock Exchange multilateral trading facility ("EURO MTF") market. Details of the tranches of the bonds outstanding at 31 March 2024 are as follows:

\$500 million Senior Notes due 2027 at a coupon of 4.500 per cent per annum – issued October 2017
€500 million Senior Notes due 2026 at a coupon of 4.500 per cent per annum – issued September 2018
€500 million Senior Notes due 2024 at a coupon of 5.875 per cent per annum – issued November 2019
€298 million Senior Notes due 2026 at a coupon of 6.875 per cent per annum – issued November 2019
\$700 million Senior Notes due 2025 at a coupon of 7.750 per cent per annum – issued October 2020
\$553 million Senior Notes due 2028 at a coupon of 5.875 per cent per annum – issued December 2020
€500 million Senior Notes due 2028 at a coupon of 4.500 per cent per annum – issued July 2021
\$409 million Senior Notes due 2029 at a coupon of 5.500 per cent per annum – issued July 2021

During the year ended 31 March 2024, the Company repaid its €650 million Senior Notes due 2024 at a coupon of 2.200 per cent per annum – issued January 2017. In addition, the Company repaid £79 million of its \$650 million Senior Notes due 2028 for a purchase price of £72 million, £74 million of its \$500 million Senior Notes due 2029 for a purchase price of £64 million and £175 million of its €500 million Senior Notes due 2026 for a purchase price of £178 million. The resulting gain of £14 million was recognised in the income statement in the year ended 31 March 2024.

During the year ended 31 March 2023, the Company repaid its \$500 million Senior Notes due 2023 at a coupon of 5.625 per cent per annum – issued January 2013, and £400 million Senior Notes due 2023 at a coupon of 3.875 per cent per annum – issued February 2015.

During the year ended 31 March 2022, the Company repaid its £400 million Senior Notes due 2022 at a coupon of 5.000 per cent per annum – issued January 2014.

Syndicated loan

The Company has a \$1 billion syndicate loan with a coupon rate of SOFR + 1.900 per cent per annum, with \$798 million due in January 2025. \$202 million was repaid during the year ended 31 March 2023.

UK export finance facility

The Company has a £625 million five-year amortising loan facility backed by a £500 million guarantee from UK Export Finance, ending October 2024. During the year ended 31 March 2024, the Company repaid £125 million (2023: £125 million, 2022: £125 million) of this loan. As at 31 March 2024, the remaining balance on the facility is £73 million (2023: £198 million, 2022: £323 million).

During the year ended 31 March 2022, the Company entered and drew down in full an additional £625 million five-year amortising loan facility, ending December 2026. During the year ended 31 March 2024, the Company repaid £125 million (2023: £125 million, 2022: £31 million) of this loan. As at 31 March 2024, the remaining balance on the facility is £344 million (2023: £469 million, 2022: £594 million).

These loans include a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

The contractual cash flows of interest-bearing debt are set out below, including estimated interest payments and assuming the debt will be repaid at the maturity date:

As at 31 March (£ millions)	2024	2023	2022
Due in			
1 year or less	1,532	1,123	1,494
2nd and 3rd years	1,743	2,890	2,508
4th and 5th years	1,367	1,661	1,899
More than 5 years	332	883	1,800
Total contractual cash flows	4,974	6,557	7,701

49 CAPITAL AND RESERVES

As at 31 March (£ millions)	2024	2023	2022
Authorised, called up and fully paid			
1,500,642,163 ordinary shares of £1 each	1,501	1,501	1,501
Total ordinary share capital	1,501	1,501	1,501

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

The capital redemption reserve of £167 million (2023: £167 million, 2022: £167 million) was created in March 2011 on the cancellation of share capital.

50 DIVIDENDS

During the year ended 31 March 2024 no ordinary share dividends were proposed or paid (2023, 2022: £nil).

In May 2024, the Company proposed and paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

51 COMMITMENTS AND CONTINGENCIES

The Company had no commitments or contingencies at 31 March 2024, 2023 or 2022.

52 CAPITAL MANAGEMENT

As at 31 March (£ millions)	2024	2023	2022
Short-term debt	1,256	820	1,180
Long-term debt	3,034	4,697	5,280
Total debt	4,290	5,517	6,460
Equity attributable to shareholder	2,130	2,066	2,086
Total capital	6,420	7,583	8,546

53 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in note 37 to the consolidated financial statements.

(A) Financial assets and liabilities

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2024:

£ millions	Amortised cost	Total carrying value	Total fair value
Other financial assets - current	1,830	1,830	1,835
Other financial assets - non-current	3,042	3,042	3,040
Total financial assets	4,872	4,872	4,875
Accounts payable	16	16	16
Other financial liabilities - current	75	75	75
Short-term borrowings	1,256	1,256	1,261
Long-term borrowings	3,034	3,034	3,032
Total financial liabilities	4,381	4,381	4,384

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2023:

£ millions	Amortised cost	Total carrying value	Total fair value
Other financial assets - current	1,358	1,358	1,348
Other financial assets - non-current	4,686	4,686	4,330
Total financial assets	6,044	6,044	5,678
Other financial liabilities - current	87	87	87
Short-term borrowings	820	820	810
Long-term borrowings	4,697	4,697	4,341
Total financial liabilities	5,604	5,604	5,238

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2022:

£ millions	Amortised cost	Total carrying value	Total fair value
Other financial assets - current	1,727	1,727	1,726
Other financial assets - non-current	5,288	5,288	5,189
Total financial assets	7,015	7,015	6,915
Other financial liabilities - current	85	85	85
Short-term borrowings	1,180	1,180	1,179
Long-term borrowings	5,280	5,280	5,181
Total financial liabilities	6,545	6,545	6,445

Fair value hierarchy

Financial instruments held at fair value are required to be measured by reference to the following levels:

- Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

There has been no change in the valuation techniques adopted or any transfers between fair value levels in either current or prior years as presented.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2024, 2023 and 2022 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

(B) Financial risk management

The Company is exposed to foreign currency exchange rate, interest rate, liquidity and credit risks. The Company has a risk management framework in place that monitors all of these risks as discussed below and on the next page. This framework is approved by the Company's Board of Directors.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have a potential impact on the balance sheet, statement of changes in equity and cash flow statement where any transaction references more than one currency or where assets or liabilities are denominated in a currency other than the functional currency of the Company.

As at 31 March 2024, 2023 and 2022, there are no designated cash flow hedges.

The Company's operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in US Dollar and Euro against Sterling as the Company has US Dollar and Euro assets and liabilities and a GBP functional currency.

The following table provides information relating to foreign currency exposure:

As at 31 March (£ millions)	2024		2023		2022	
	US Dollar	Euro	US Dollar	Euro	US Dollar	Euro
Financial assets	2,394	1,564	2,581	2,364	2,980	2,282
Financial liabilities	(2,394)	(1,564)	(2,587)	(2,364)	(2,974)	(2,282)
Net exposure (liability)/asset	-	-	(6)	-	6	-

As at 31 March 2024, a 10 per cent appreciation/depreciation of the US Dollar or Euro would result in a decrease/increase in the Company's net profit before tax and net assets by approximately £nil and £nil respectively (2023: £1 million and £nil respectively, 2022: increase/decrease of £1 million and £nil respectively).

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the Company.

The Company is presently funded with long-term fixed interest rate borrowings and long-term variable-rate borrowings. The Company is also subject to variable interest rates on certain other debt obligations.

As at 31 March 2024, net financial assets of £494 million (2023: £467 million, 2022: £465 million) were subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact on the Company's net profit before tax and net assets of £5 million (2023: £5 million, 2022: £5 million).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Liquidity rate risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's policy on liquidity risk is to ensure that sufficient borrowing facilities are available to fund ongoing operations without the need to carry significant net debt over the medium term..

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at 31 March 2024 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	16	16	16	-	-	-
Short-term borrowings and accrued interest	1,274	1,340	1,340	-	-	-
Long-term borrowings and accrued interest	3,088	3,603	178	1,277	1,816	332
Other financial liabilities	3	31	14	17	-	-
Total contractual maturities	4,381	4,990	1,548	1,294	1,816	332

As at 31 March 2023 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Short-term borrowings and accrued interest	823	845	845	-	-	-
Long-term borrowings and accrued interest	4,770	5,644	249	1,527	2,983	885
Other financial liabilities	11	68	28	18	22	-
Total contractual maturities	5,604	6,557	1,122	1,545	3,005	885

As at 31 March 2022 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Short-term borrowings and accrued interest	1,188	1,228	1,228	-	-	-
Long-term borrowings and accrued interest	5,347	6,447	246	1,045	3,356	1,800
Other financial liabilities	9	28	22	6	-	-
Total contractual maturities	6,544	7,703	1,496	1,051	3,356	1,800

Credit risk

Financial instruments that are subject to concentrations of credit risk consist of loans to subsidiaries.

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets

None of the other financial assets are past due or impaired. Regarding other financial assets that are neither past due nor impaired, there were no indications as at 31 March 2024 (2023, 2022: no indications) that defaults in payment obligations will occur. However, as required under IFRS 9, the Company has assessed other financial assets for expected credit losses.

These financial assets are loan receivables from subsidiaries and the Company notes that there is no history of default on such arrangements. As there has been no significant increase in credit risk, the Company has assessed these based on a 12-month expected credit loss. The impairment of the loan receivables due to the requirements under IFRS 9 are set out below:

As at 31 March (£ millions)	2024			2023			2022		
	Gross	Impairment	Net carrying value	Gross	Impairment	Net carrying value	Gross	Impairment	Net carrying value
Other financial assets - current	1,831	(1)	1,830	1,365	(7)	1,358	1,734	(7)	1,727
Other financial assets – non-current	3,045	(3)	3,042	4,720	(34)	4,686	5,314	(26)	5,288
Total	4,876	(4)	4,872	6,085	(41)	6,044	7,048	(33)	7,015

Movement in allowances for expected credit losses of financial assets

Year ended 31 March (£ millions)	2024	2023	2022
At beginning of the year	41	33	31
Charged during the year	-	8	2
Unused amounts reversed	(37)	-	-
At end of year	4	41	33

54 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

£ millions	Borrowings	Interest accrued	Total
Balance at 1 April 2021	5,483	79	5,562
Cash flows			
Proceeds from issue of financing	1,417	-	1,417
Repayment of financing	(558)	-	(558)
Arrangement fees paid	(13)	-	(13)
Interest paid	-	(296)	(296)
Non-cash movements			
Interest accrued	-	301	301
Foreign currency translation	118	-	118
Fee amortisation	13	-	13
Balance at 31 March 2022	6,460	84	6,544
Cash flows			
Repayment of financing	(1,235)	-	(1,235)
Interest paid	-	(355)	(355)
Non-cash movements			
Interest accrued	-	348	348
Foreign currency translation	281	9	290
Fee amortisation	11	-	11
Balance at 31 March 2023	5,517	86	5,603
Cash flows			
Repayment of financing	(1,129)	-	(1,129)
Interest paid	-	(312)	(312)
Non-cash movements			
Interest accrued	-	301	301
Foreign currency translation	(93)	-	(93)
Fee amortisation	9	-	9
Gain on early repayment of borrowings	(14)	-	(14)
Balance at 31 March 2024	4,290	75	4,365

Included within 'Interest paid' in the parent company cash flow statement is £24 million (2023: £31 million, 2022: £18 million) of cash interest paid relating to other assets and liabilities not included in the reconciliation above.

55 RELATED PARTY TRANSACTIONS

Tata Sons Private Limited is a company with significant influence over the Company's ultimate parent company Tata Motors Limited. The Company's related parties therefore include Tata Sons Private Limited, subsidiaries and joint ventures of Tata Sons Private Limited and subsidiaries, associates and joint ventures of Tata Motors Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business.

The following table summarises related party balances:

As at (£ millions)	With direct and indirect subsidiaries	With immediate parent
31 March 2024		
Loans to subsidiaries of the Company	4,872	-
Loans from subsidiaries of the Company	23	-
Accounts payable to subsidiaries of the Company	16	-
31 March 2023		
Loans to subsidiaries of the Company	6,044	-
Loans from subsidiaries of the Company	37	-
31 March 2022		
Loans to subsidiaries of the Company	7,015	-
Loans from subsidiaries of the Company	43	-

Compensation of key management personnel

Year ended 31 March (£ millions)	2024	2023	2022
Short-term benefits	5	4	5
Compensation for loss of office	-	2	-
Total compensation of key management personnel	5	6	5

Apart from the directors, the Company did not have any employees and had no employee costs in the years ended 31 March 2024, 2023 and 2022. All directors' costs are fully recharged to Jaguar Land Rover Limited, an indirect subsidiary company.

56 AUDITOR'S REMUNERATION

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

57 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF THE LARGER GROUP

The immediate parent undertaking is TML Holdings Pte. Ltd. (Singapore), which is the parent for the smallest group to consolidate these financial statements. The ultimate parent undertaking and controlling party is Tata Motors Limited, India, which is the parent of the largest group to consolidate these financial statements.

Copies of the TML Holdings Pte. Ltd. (Singapore) consolidated financial statements can be obtained from the Company Secretary, TML Holdings Pte. Ltd. 9 Battery Road #15-01 MYP Centre, Singapore 049910.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai-400001, India.

58 SUBSEQUENT EVENTS

In May 2024, the Company proposed and paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

APPENDIX

1

APPENDIX 1: GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Statement of use	Jaguar Land Rover Automotive plc has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURES 2021

The organisation and its reporting practices		
Disclosure	Detail	Location
2-1 Organisational details	<ul style="list-style-type: none"> Legal name Nature of ownership and legal form Location of headquarters Countries of operation 	https://www.jaguarlandrover.com
2-2 Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> Entities included in the organisation's sustainability reporting 	Independent Auditor's Report > pages 75-85 SBTi Reporting Methodology Statement > corporate website
2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Reporting period for, and the frequency of, sustainability reporting Reporting period for financial reporting Publication date of the report Contact point for questions about this report 	Sustainability reporting: 1 April 2023 - 31 March 2024, annually Financial reporting: 1 April 2023 - 31 March 2024, annually Publication date: 31 May 2024 For questions about this report: https://www.jaguarlandrover.com/investor-relations
2-4 Restatements of information	<ul style="list-style-type: none"> Restatements of information made from previous reporting periods 	Performance Data Tables FY23/24 > page 48
2-5 External assurance	<ul style="list-style-type: none"> Policy and practice for seeking external assurance Link / reference to external assurance 	Independent Auditor's Report > pages 75-85 Grant Thornton SBT limited assurance opinion > corporate website SBTi Reporting Methodology Statement > corporate website

Activities and workers		
Disclosure	Detail	Location
2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Sectors Value chain Other relevant business relationships Significant changes compared to the previous reporting period 	Our business model > page 12 https://www.jaguarlandrover.com/reimagine https://www.jaguarlandrover.com/brands
2-7 Employees	<ul style="list-style-type: none"> Total number of employees, breakdown by gender and region Total number of permanent, temporary, non-guaranteed hours employees, full-time employees, and part-time employees, breakdown by gender and region Methodologies and assumptions used to compile the data Contextual information required to understand the data Significant fluctuations in number of employees 	Financial statements - Employee numbers and costs > pages 101-102
2-8 Workers who are not employees	<ul style="list-style-type: none"> Total number of workers who are not employees Methodologies and assumptions used to compile the data Significant fluctuations in number of workers who are not employees 	Financial statements - Employee numbers and costs > pages 101-102

Governance		
Disclosure	Detail	Location
2-9 Governance structure and composition	<ul style="list-style-type: none"> • Governance structure including committees of the highest governance body • Committees responsible for decision-making on and overseeing the management of the organisation's impact on the economy, environment and people • Composition of the highest governance body 	Governance - Leadership > page 59-63 Climate Related Financial Disclosures > pages 44-47 https://www.jaguarlandrover.com/leadership
2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • Nomination and selection process for the highest governance body and its committees • Criteria used for nominating and selecting highest governance body members 	Governance - Accountability > pages 66-67
2-11 Chair of the highest governance body	<ul style="list-style-type: none"> • Chair of the highest governance body 	Governance - Leadership > pages 59-63 https://www.jaguarlandrover.com/leadership
2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Role of the highest governance body in overseeing the management of impacts 	Governance - Leadership > pages 59-63 Climate Related Financial Disclosures > pages 44-47
2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Delegation of responsibility for managing impacts • Process and frequency for reporting 	Governance - Leadership > pages 59-63 Governance - Effectiveness > pages 64-65 Climate Related Financial Disclosures > pages 44-47
2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Role of the highest governance body in sustainability reporting 	Climate Related Financial Disclosures > pages 44-47
2-15 Conflicts of interest	<ul style="list-style-type: none"> • Process for prevention and mitigation • Disclosure to stakeholders 	Corporate Policy: CP1-023 Conflicts of Interest. Available to all employees, however it is not available publicly
2-16 Communication of critical concerns	<ul style="list-style-type: none"> • Communication of critical concerns to the highest governance body • Total number and nature of critical concerns communicated 	Governance - Leadership > pages 59-63
2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development 	Our Purpose and Strategy > pages 10-11 Introduction to Sustainability > pages 27-28
2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Process for evaluating performance • Independence and frequency of evaluations • Actions taken in response to evaluations 	Governance - Effectiveness > pages 64-65 Governance - Accountability > pages 66-67
2-19 Remuneration policies	<ul style="list-style-type: none"> • Remuneration policies for members of the highest governance body and senior executives • How the policies relate to objectives and performance in relation to management of impacts on the economy, environment and people 	Governance - Accountability > pages 66-67
2-20 Process to determine remuneration	<ul style="list-style-type: none"> • Process for designing its remuneration policies and for determining remuneration • Results of votes of stakeholders 	Governance - Accountability > pages 66-67
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> • Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees • Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees • Contextual information necessary to understand the data 	This information is deemed to be confidential

Strategy, policies and practices		
Disclosure	Detail	Location
2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> Statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development 	Our Purpose and Strategy > pages 10-11 Introduction to Sustainability > pages 27-28
2-23 Policy commitments	<ul style="list-style-type: none"> Policy commitments for responsible business conduct Specific policy commitment to respect human rights Links to the policy commitments Policy approval level Extent to which the policy commitments apply to the organisation's activities and business relationships Communication of policies 	Code of Conduct and supporting policies: https://www.jaguarlandrover.com/code-conduct
2-24 Embedding policy commitments	<ul style="list-style-type: none"> How each policy commitment for responsible business conduct is embedded throughout activities and business relationships 	Code of Conduct and supporting policies: https://www.jaguarlandrover.com/code-conduct Risk and Compliance Committee > page 61
2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Commitments to provide for or cooperate in the remediation of negative impacts Approach to identify and address grievances Other processes by which the organisation provides for or cooperates in the remediation of negative impacts Stakeholder involvement Tracking and reporting 	Our Approach to Risk > page 51 Principal Risks > pages 52-54 Climate Related Financial Disclosures > pages 44-47
2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Mechanisms for individuals to seek advice and raise concerns about the organisation's business conduct 	Code of Conduct (p.21 'Raising Concerns') https://www.jaguarlandrover.com/code-conduct
2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Total number of significant instances of non-compliance with laws and regulations Total number and the monetary value of fines for instances of non-compliance with laws and regulations Significant instances of non-compliance How significant instances of non-compliance are determined 	This information is deemed to be confidential
2-28 Membership associations	<ul style="list-style-type: none"> Industry associations, other membership associations, and national or international advocacy organisations 	Directors' Report > pages 71-73 Introduction to Engage for Good > pages 34-35

Stakeholder engagement		
Disclosure	Detail	Location
2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> Approach to engaging with stakeholders 	Introduction to Governance > pages 55-58 Introduction to Responsible Business > page 36
2-30 Collective bargaining agreements	<ul style="list-style-type: none"> Percentage of total employees covered by collective bargaining agreements Determination of working conditions and terms of employment for employees not covered by collective bargaining agreements 	This information is not publicly available